

Introduced: 2/12/71
Referred: Commerce and
Judiciary

1 IN THE HOUSE

BY MORAN

2 HOUSE BILL NO. 174

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the Uniform Consumer Credit Code;
7 and providing for an effective date."

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9 * Section 1. AS 45 is amended by adding a new chapter to read:

10 CHAPTER 90. UNIFORM CONSUMER CREDIT CODE.

11 ARTICLE 1. GENERAL PROVISIONS.

12 Sec. 45.90.005. SHORT TITLE. This Act shall be known and may be
13 cited as Uniform Consumer Credit Code.

14 Sec. 45.90.010. PURPOSES; RULES OF CONSTRUCTION. (a) This
15 Act shall be liberally construed and applied to promote its underlying
16 purposes and policies.

17 (b) The underlying purposes and policies of this Act are:

18 (1) to simplify, clarify and modernize the law governing
19 retail instalment sales, consumer credit, small loans and usury;

20 (2) to provide rate ceilings to assure an adequate supply
21 of credit to consumers;

22 (3) to further consumer understanding of the terms of
23 credit transactions and to foster competition among suppliers of con-
24 sumer credit so that consumers may obtain credit at reasonable cost;

25 (4) to protect consumer buyers, lessees, and borrowers
26 against unfair practices by some suppliers of consumer credit, having
27 due regard for the interests of legitimate and scrupulous creditors;

28 (5) to permit and encourage the development of fair and
29 economically sound consumer credit practices;

1 (6) to conform the regulation of consumer credit transactions
2 to the policies of the Federal Consumer Credit Protection Act; and

3 (7) to make uniform the law including administrative rules
4 among the various jurisdictions.

5 Sec. 45.90.015. SUPPLEMENTARY GENERAL PRINCIPLES OF LAW APPLIC-
6 ABLE. Unless displaced by the particular provisions of this Act, the
7 Uniform Commercial Code and the principles of law and equity, including
8 the law relative to capacity to contract, principal and agent, estoppel,
9 fraud, misrepresentation, duress, coercion, mistake, bankruptcy,
10 or other validating or invalidating cause shall supplement its
11 provisions.

12 Sec. 45.90.020. CONSTRUCTION AGAINST IMPLICIT REPEAL. This Act
13 being a general act intended as a unified coverage of its subject
14 matter, no part of it shall be considered to be impliedly repealed by
15 subsequent legislation if such construction can reasonably be avoided.

16 Sec. 45.90.025. SEVERABILITY. If any provision of this Act or
17 the application thereof to any person or circumstances is held invalid,
18 the invalidity shall not affect other provisions or applications of
19 this Act which can be given effect without the invalid provision or
20 application, and to this end the provisions of this Act are severable.

21 Sec. 45.90.030. ADJUSTMENT OF DOLLAR AMOUNTS. (a) From time
22 to time the dollar amounts in this Act designated as subject to
23 change shall change, as provided in this section, in accordance with
24 and to the extent of changes in the Consumer Price Index for Urban
25 Wage Earners and Clerical Workers: U.S. City Average, All Items,
26 1957-59 = 100, compiled by the Bureau of Labor Statistics, United
27 States Department of Labor, and hereafter referred to as the Index.
28 The Index for December, 1967 is the Reference Base Index.

29 (b) The designated dollar amounts shall change on July 1 of each

1 even-numbered year if the percentage of change, calculated to the
2 nearest whole percentage point, between the Index at the end of the
3 preceding year and the Reference Base Index is 10 per cent or more,
4 except that

5 (1) the portion of the percentage change in the Index in
6 excess of a multiple of 10 per cent shall be disregarded and the
7 dollar amounts shall change only in multiples of 10 per cent of the
8 amounts appearing in this Act on the date of enactment;

9 (2) the dollar amounts shall not change if the amounts
10 required by this section are those currently in effect pursuant to
11 this Act as a result of earlier application of this section; and

12 (3) in no event shall the dollar amounts be reduced below
13 the amounts appearing in this Act on the date of enactment.

14 (c) If the Index is revised after December, 1967, the percentage
15 of change pursuant to this section shall be calculated on the basis
16 of the revised Index. If the revision of the Index changes the
17 Reference Base Index, a revised Reference Base Index shall be deter-
18 mined by multiplying the Reference Base Index then applicable by the
19 ratio of the revised Index to the current Index, as each was for the
20 first month in which the revised Index is available. If the Index
21 is superseded, the Index referred to in this section shall be the one
22 represented by the Bureau of Labor Statistics as reflecting most
23 accurately changes in the purchasing power of the dollar for consumers.

24 (d) The administrator shall issue a rule announcing

25 (1) on or before April 30 of each year in which dollar
26 amounts are to change, the changes in dollar amounts required by
27 (b) of this section; and

28 (2) promptly after the changes occur, changes in the Index
29 required by (c) of this section including, when applicable, the

1 numerical equivalent of the Reference Base Index under a revised
2 Reference Base Index and the designation or title of any index super-
3 seding the Index.

4 (e) No person violates this Act if with respect to a transaction
5 otherwise complying with this Act he relies on dollar amounts either
6 determined in accordance with (b) of this section or appearing in
7 the last rule of the administrator announcing the then current dollar
8 amounts.

9 (f) If the percentage of change between the Index at the end of
10 the odd-numbered year preceding the effective date of this Act and
11 the Reference Base Index would require change in the designated dollar
12 amounts under (b) of this section, the designated dollar amounts shall
13 change upon the effective date of this Act and, on or before that
14 date, the administrator shall issue a rule announcing the changes
15 required by this subsection. If the transaction is based on dollar
16 amounts appearing in the Act and the administrator has issued no rule
17 as required by this subsection, (e) of this section also applies.

18 Sec. 45.90.035. WAIVER; AGREEMENT TO FOREGO RIGHTS; SETTLEMENT
19 OF CLAIMS. (a) Except as otherwise provided in this Act, a buyer,
20 lessee, or debtor may not waive or agree to forego rights or benefits
21 under this Act.

22 (b) A claim by a buyer, lessee, or debtor against a creditor for
23 an excess charge, other violation of this Act, or civil penalty, or
24 a claim against a buyer, lessee, or debtor for default or breach of a
25 duty imposed by this Act, if disputed in good faith, may be settled
26 by agreement.

27 (c) A claim, whether or not disputed, against a buyer, lessee
28 or debtor may be settled for less value than the amount claimed.

29 (d) A settlement in which the buyer, lessee, or debtor waives

1 or agrees to forego rights or benefits under this Act is invalid if
2 the court as a matter of law finds the settlement to have been
3 unconscionable at the time it was made. The competence of the
4 buyer, lessee, or debtor, any deception or coercion practiced upon
5 him, the nature and extent of the legal advice received by him,
6 and the value of the consideration are relevant to the issue of
7 unconscionability.

8 Sec. 45.90.040. EFFECT OF ACT ON POWERS OF ORGANIZATIONS.

9 (a) This Act prescribes maximum charges for all creditors extending
10 consumer credit, except lessors and those excluded under sec. 50
11 of this Act and displaces existing limitations on the powers of
12 those creditors based on maximum charges.

13 (b) With respect to sellers of goods or services, small loan
14 companies, licensed lenders, consumer and sales finance companies,
15 industrial banks and loan companies, and commercial banks and
16 trust companies, this Act displaces existing limitations on their
17 powers based solely on amount or duration of credit.

18 (c) Except as provided in (a) of this section, this Act does
19 not displace limitations on powers of credit unions, savings banks,
20 savings and loan associations, or other thrift institutions whether
21 organized for the profit of shareholders or as mutual organizations.

22 (d) Except as provided in (a) and (b) of this section, this
23 Act does not displace

24 (1) limitations on powers of supervised financial organi-
25 zations under sec. 60(p) of this Act with respect to the amount of a
26 loan to a single borrower, the ratio of a loan to the value of col-
27 lateral, the duration of a loan secured by an interest in land, or
28 other similar restrictions designed to protect deposits, or

29 (2) limitations on powers an organization is authorized to

1 exercise under the laws of this state or the United States.

2 Sec. 45.90.045. TERRITORIAL APPLICATION. (a) Except as other-
3 wise provided in this section, this Act applies to sales, leases, and
4 loans made in this state and to modifications, including refinancings,
5 consolidations, and deferrals, made in this state, of sales, leases,
6 and loans, wherever made. For purposes of this Act

7 (1) a sale or modification of a sale agreement is made in
8 this state if the buyer's agreement or offer to purchase or to modify
9 is received by the seller in this state;

10 (2) a lease or modification of a lease agreement is made
11 in this state if the lessee's agreement or offer to lease or to modify
12 is received by the lessor in this state; and

13 (3) a loan or modification of a loan agreement is made in
14 this state if a writing signed by the debtor and evidencing the debt
15 is received by the lender in this state.

16 (b) With respect to sales made pursuant to a revolving charge
17 account under sec.95 of this Act, this Act applies if the buyer's
18 communication or indication of his intention to establish the account
19 is received by the seller in this state. If no communication or indi-
20 cation of intention is given by the buyer before the first sale, this
21 Act applies if the seller's communication notifying the buyer of the
22 privilege of using the account is mailed or personally delivered in
23 this state.

24 (c) With respect to loans made pursuant to a lender credit card
25 or similar arrangement under sec. 60(h) of this Act, this Act applies
26 if the debtor's communication or indication of his intention to estab-
27 lish the arrangement with the lender is received by the lender in this
28 state. If no communication or indication of intention is given by
29 the debtor before the first loan, this Act applies if the lender's

1 communication notifying the debtor of the privilege of using the
2 arrangement is mailed or personally delivered in this state.

3 (d) Secs. 730 - 765 of the Article on Remedies and Penalties,
4 Article 5, applies to actions or other proceedings brought in this
5 state to enforce rights arising out of a consumer credit sale,
6 consumer lease, or consumer loan, or modification thereof, wherever
7 made.

8 (e) If a consumer credit sale, consumer lease, or consumer loan,
9 or modification thereof, is made in another state to a person who is
10 a resident of this state when the sale, lease, loan, or modification
11 is made, the following provisions apply as though the transaction
12 occurred in this state:

13 (1) a seller, lessor, lender, or assignee of his rights,
14 may not collect charges through actions or other proceedings in excess
15 of those permitted by secs. 65 - 350 of this Act or by secs. 355 -
16 635 of this Act; and

17 (2) a seller, lessor, lender, or assignee of his rights,
18 may not enforce rights against the buyer, lessee, or debtor, with
19 respect to the provisions of agreements which violate the provisions
20 of secs. 230 - 300 or secs. 355 - 635 of this Act.

21 (f) Except as provided in (d) of this section, a sale, lease,
22 loan, or modification thereof, made in another state to a person who
23 was not a resident of this state at the time the sale, lease, loan,
24 or modification was made is valid and enforceable in this state
25 according to its terms to the extent that it is valid and enforceable
26 under the laws of the state applicable to the transaction.

27 (g) For the purposes of this Act, the residence of a buyer,
28 lessee, or debtor, is the address given by him as his residence in
29 any writing signed by him in connection with a credit transaction.

1 Until he notifies the creditor of a new or different address, his
2 address is presumed to be unchanged.

3 (h) Notwithstanding other provisions of this section

4 (1) except as provided in (d) of this section, this Act
5 does not apply if the buyer, lessee, or debtor is not a resident of
6 this state at the time of a credit transaction and the parties then
7 agree that the law of his residence applies; and

8 (2) this Act applies if the buyer, lessee, or debtor is
9 a resident of this state at the time of a credit transaction and the
10 parties then agree that the law of this state applies.

11 (i) Except as provided in (h) of this section, the following
12 agreements by a buyer, lessee, or debtor are invalid with respect to
13 consumer credit sales, consumer leases, consumer loans, or modifica-
14 tions thereof, to which this Act applies:

15 (1) that the law of another state shall apply;

16 (2) that the buyer, lessee, or debtor consents to the
17 jurisdiction of another state; and

18 (3) that fixes venue.

19 (j) The following provisions of this Act specify the applicable
20 law governing certain cases:

21 (1) sec. 810 of this Act;

22 (2) sec. 880 of this Act;

23 Sec. 45.90.050. EXCLUSIONS. This Act does not apply to

24 (1) extensions of credit to government or governmental
25 agencies or instrumentalities;

26 (2) the sale of insurance by an insurer, except as other-
27 wise provided in secs. 640 - 725 of this Act.

28 (3) transactions under public utility or common carrier
29 tariffs if a subdivision or agency of this state or of the United

1 States regulates the charges for the services involved, the charges
2 for delayed payment, and any discount allowed for early payment; or
3 (4) the rates and charges and the disclosure of rates and
4 charges of a licensed pawnbroker established in accordance with a
5 statute or ordinance concerning these matters.

6 Sec. 45.90.055. JURISDICTION AND SERVICE OF PROCESS. (a) The
7 superior court of this state may exercise jurisdiction over any creditor
8 with respect to any conduct in this state governed by this Act or with
9 respect to any claim arising from a transaction subject to this Act.
10 In addition to any other method provided by rule or by statute,
11 personal jurisdiction over a creditor may be acquired in a civil action
12 or proceeding instituted in the superior court by the service of
13 process in the manner provided by this section.

14 (b) If a creditor is not a resident of this state or is a
15 corporation not authorized to do business in this state and engages
16 in any conduct in this state governed by this Act, or engages in a
17 transaction subject to this Act, he may designate an agent upon whom
18 service of process may be made in this state. The agent shall be
19 a resident of this state or a corporation authorized to do business
20 in this state. The designation shall be in a writing and filed with
21 the secretary of state. If no designation is made and filed or if
22 process cannot be served in this state upon the designated agent,
23 process may be served upon the secretary of state, but service upon
24 him is not effective unless the plaintiff or petitioner forthwith
25 mails a copy of the process and pleading by registered or certified
26 mail to the defendant or respondent at his last reasonably ascertain-
27 able address. An affidavit of compliance with this section shall be
28 filed with the clerk of the court on or before the return day of the
29 process, if any, or within any further time the court allows.

1 Sec. 45.90.060. GENERAL DEFINITIONS. In addition to definitions
2 appearing in other sections of this Act, in this
3 Act

4 (a) "administrator" means the administrator designated in
5 sec. 815 of this Act.

6 (b) "agreement" means the bargain of the parties in fact as
7 found in their language or by implication from other circumstances
8 including course of dealing or usage of trade or course of perform-
9 ance.

10 (c) "agricultural purpose" means a purpose related to the
11 production, harvest, exhibition, marketing, transportation, processing,
12 or manufacture of agricultural products by a natural person who
13 cultivates, plants, propagates, or nurtures the agricultural products.
14 "Agricultural products" includes agricultural, horticultural, viti-
15 cultural, and dairy products, livestock, wildlife, poultry, bees,
16 forest products, fish and shellfish, and any products thereof,
17 including processed and manufactured products, and any and all pro-
18 ducts raised or produced on farms and any processed or manufactured
19 products thereof.

20 (d) "closing costs" with respect to a debt secured by an inter-
21 est in land includes:

22 (1) fees or premiums for title examination, title insurance,
23 or similar purposes including surveys;

24 (2) fees for preparation of a deed, settlement statement,
25 or other documents;

26 (3) escrows for future payments of taxes and insurance;

27 (4) fees for notarizing deeds and other documents;

28 (5) appraisal fees; and

29 (6) credit reports.

1 (e) "Credit" means the right granted by a creditor to a
2 debtor to defer payment of debt or to incur debt and defer its
3 payment.

4 (f) "Earnings" means compensation paid or payable to an
5 individual or for his account for personal services rendered or
6 to be rendered by him, whether denominated as wages, salary, com-
7 mission, bonus, or otherwise, and includes periodic payments under
8 a pension, retirement, or disability program.

9 (g) "Federal Consumer Credit Protection Act" means the Con-
10 sumer Credit Protection Act (Public Law 90-321; 82 Stat. 146),
11 as amended, and includes regulations issued pursuant to that
12 Act.

13 (h) "Lender credit card or similar arrangement" means an
14 arrangement or loan agreement, other than a seller credit card,
15 pursuant to which a lender gives a debtor the privilege of us-
16 ing a credit card, letter of credit, or other credit confirma-
17 tion or identification in transactions out of which debt arises

18 (1) by the lender's honoring a draft or similar
19 order for the payment of money drawn or accepted by the
20 debtor;

21 (2) by the lender's payment or agreement to pay the
22 debtor's obligations; or

23 (3) by the lender's purchase from the obligee of the
24 debtor's obligations.

25 (i) "Official fees" means

26 (1) fees and charges prescribed by law which actually
27 are or will be paid to public officials for determining the
28 existence of or for perfecting, releasing, or satisfying a
29 security interest related to a consumer credit sale, consumer

1 lease, or consumer loan; or

2 (2) premiums payable for insurance in lieu of per-
3fecting a security interest otherwise required by the creditor
4 in connection with the sale, lease, or loan, if the premium does
5 not exceed the fees and charges described in (i)(1) of this
6 section which would otherwise be payable.

7 (j) "Organization" means a corporation, government or
8 governmental division or agency, trust, estate, partnership, co-
9 operative, or association.

10 (k) "Payable in instalments" means that payment is required
11 or permitted by agreement to be made in (1) two or more periodic
12 payments, excluding a down payment, with respect to a debt arising
13 from a consumer credit sale under which a credit service charge
14 is made, (2) four or more periodic payments, excluding a down
15 payment, with respect to a debt arising from a consumer credit
16 sale under which no credit service charge is made, or (3) two
17 or more periodic payments with respect to a debt arising from
18 a consumer loan. If any periodic payment other than the down
19 payment under an agreement requiring or permitting two or more
20 periodic payments is more than twice the amount of any other
21 periodic payment, excluding the down payment, the consumer credit
22 sale, consumer lease, or consumer loan is "payable in instal-
23 ments."

24 (1) "Person" includes a natural person or an individual,
25 and an organization.

26 (m) "Person related to" with respect to an individual
27 means (1) the spouse of the individual, (2) a brother, brother-
28 in-law, sister, sister-in-law of the individual, (3) an ances-
29 tor or lineal descendant of the individual or his spouse, and

1 (4) any other relative, by blood or marriage, of the individual
2 or his spouse who shares the same home with the individual.

3 "Person related to" with respect to an organization means (1) a
4 person directly or indirectly controlling, controlled by or
5 under common control with the organization, (2) an officer or
6 director of the organization or a person performing similar
7 functions with respect to the organization or to a person re-
8 lated to the organization, (3) the spouse of a person related
9 to the organization, and (4) a relative by blood or marriage
10 of a person related to the organization who shares the same home
11 with him.

12 (n) "Presumed" or "presumption" means that the trier of
13 fact must find the existence of the fact presumed unless and
14 until evidence is introduced which would support a finding of
15 its non-existence.

16 (o) "Seller credit card" means an arrangement under
17 which a person gives to a buyer or lessee the privilege of using
18 a credit card, letter of credit, or other credit confirmation
19 or identification primarily for the purpose of purchasing or
20 leasing goods or services from that person, a person related
21 to that person, or others licensed or franchised to do busi-
22 ness under his business or trade name or designation.

23 (p) "Supervised financial organization" means a person,
24 other than an insurance company or other organization primarily
25 engaged in an insurance business,

26 (1) organized, chartered, or holding an authoriza-
27 tion certificate under the laws of this state or of the United
28 States which authorize the person to make loans and to receive
29 deposits, including a savings, share, certificate or deposit

1 account, and

2 (2) subject to supervision by an official or agency
3 of this state or of the United States.

4 (q) "United States rule" means the actuarial method
5 of allocating payments made on a debt between principal
6 or amount financed and loan finance charge or credit service
7 charge, under which a payment is applied first to the accu-
8 mulated loan finance charge or credit service charge and the
9 balance is applied to the unpaid principal or amount
10 financed.

11 ARTICLE 2. CREDIT SALES.

12 Sec. 45.90.065. SHORT TITLE. This Article shall be
13 known and may be cited as the Uniform Consumer Credit Code -
14 Credit Sales.

15 Sec. 45.90.070. SCOPE. This Article applies to consumer
16 credit sales, including home solicitation sales, and consumer
17 leases; in addition secs. 330 - 350 of this Act apply to con-
18 sumer related sales.

19 Sec. 45.90.075. DEFINITION: "CONSUMER CREDIT SALE".

20 (a) Except as provided in (b) of this section, "consumer credit
21 sale" is a sale of goods, services, or an interest in land in
22 which

23 (1) , credit is granted by a seller who regularly
24 engages as a seller in credit transactions of the same
25 kind;

26 (2) the buyer is a person other than an organiza-
27 tion;

28 (3) the goods, services, or interest in land are
29 purchased primarily for a personal, family, household, or

1 agricultural purpose;

2 (4) either the debt is payable in instalments or
3 a credit service charge is made; and

4 (5) with respect to a sale of goods or services,
5 the amount financed does not exceed \$25,000.

6 (b) Unless the sale is made subject to this Act by
7 agreement under sec. 330 of this Act "consumer credit sale"
8 does not include

9 (1) a sale in which the seller allows the buyer
10 to purchase goods or services pursuant to a lender credit
11 card or similar arrangement, or

12 (2) except as provided with respect to disclosure
13 under sec. 165 of this Act and debtors' remedies under sec.
14 770 of this Act, a sale of an interest in land if the credit
15 service charge does not exceed 10 per cent per year calculated
16 according to the United States rule on the unpaid balances of
17 the amount financed on the assumption that the debt will be
18 paid according to the agreed terms and will not be paid before
19 the end of the agreed term.

20 (c) The amount of \$25,000 in (a)(5) of this section
21 is subject to change pursuant to the provisions on adjustment
22 of dollar amounts under sec. 30 of this Act.

23 Sec. 45.90.080. DEFINITIONS: "GOODS"; "MERCHAN-
24 DISE CERTIFICATE"; "SERVICES"; "SALE OF GOODS"; "SALE
25 OF SERVICES"; "SALE OF AN INTEREST IN LAND"; "PRECOMPUTED".

26 (a) "Goods" includes goods not in existence at the time
27 the transaction is entered into and merchandise certificates,
28 but excludes money, chattel paper, documents of title, and
29 instruments.

1 (b) "Merchandise certificate" means a writing is-
2 sued by a seller not redeemable in cash and usable in its
3 face amount in lieu of cash in exchange for goods or ser-
4 vices.

5 (c) "Services" includes (1) work, labor, and other
6 personal services; (2) privileges with respect to transpor-
7 tation, hotel and restaurant accommodations, education,
8 entertainment, recreation, physical culture, hospital accom-
9 modations, funerals, cemetery accommodations, and the like;
10 and (3) insurance provided by a person other than the in-
11 surer.

12 (d) "Sale of goods" includes any agreement in the form
13 of a bailment or lease of goods if the bailee or lessee agrees
14 to pay as compensation for use a sum substantially equivalent
15 to or in excess of the aggregate value of the goods involved and it
16 is agreed that the bailee or lessee will become, or for no other
17 or a nominal consideration has the option to become, the owner
18 of the goods upon full compliance with his obligations under
19 the agreement.

20 (e) "Sale of services" means furnishing or agreeing to
21 furnish services and includes making arrangements to have ser-
22 vices furnished by another.

23 (f) "Sale of an interest in land" includes a lease in which
24 the lessee has an option to purchase the interest and all or a
25 substantial part of the rental or other payments previously made by
26 him are applied to the purchase price.

27 (g) A sale, refinancing, or consolidation is "precomputed" if
28 the debt is expressed as a sum comprising the amount financed and
29 the amount of the credit service charge computed in advance.

1 Sec. 45.90.085. DEFINITION: "CONSUMER LEASE". (a) "Consumer
2 lease" means a lease of goods

3 (1) which a lessor regularly engaged in the business of
4 leasing makes to a person, other than an organization, who takes
5 under the lease primarily for a personal, family, household, or
6 agricultural purpose,

7 (2) in which the amount payable under the lease does not
8 exceed \$25,000, and

9 (3) which is for a term exceeding four months.

10 (b) "Consumer lease" does not include a lease made pursuant to
11 a lender credit card or similar arrangement.

12 (c) The amount of \$25,000 in (a)(2) of this section is subject
13 to change under sec. 30 of this Act.

14 Sec. 45.90.090. DEFINITION: "SELLER". Except as otherwise
15 provided, "seller" includes an assignee of the seller's right to pay-
16 ment but use of the term does not in itself impose on an assignee any
17 obligation of the seller with respect to events occurring before the
18 assignment.

19 Sec. 45.90.095. DEFINITION: "REVOLVING CHARGE ACCOUNT".
20 "Revolving charge account" means an arrangement between a seller and a
21 buyer under which (1) the seller may permit the buyer to purchase
22 goods or services on credit either from the seller or pursuant to a
23 seller credit card, (2) the unpaid balances of amounts financed
24 arising from purchases and the credit service and other appropriate
25 charges are debited to an account, (3) a credit service charge if
26 made is not precomputed but is computed on the outstanding unpaid
27 balances of the buyer's account from time to time, and (4) the buyer
28 has the privilege of paying the balances in instalments.

29 Sec. 45.90.100. DEFINITION: "CREDIT SERVICE CHARGE". "Credit

1 service charge" means the sum of (1) all charges payable directly or
2 indirectly by the buyer and imposed directly or indirectly by the
3 seller as an incident to the extension of credit, including any of the
4 following types of charges which are applicable: time price differ-
5 ential, service, carrying or other charge, however denominated,
6 premium or other charge for any guarantee or insurance protecting the
7 seller against the buyer's default or other credit loss; and (2)
8 charges incurred for investigating the collateral or credit-worthiness
9 of the buyer or for commissions or brokerage for obtaining the credit,
10 irrespective of the person to whom the charges are paid or payable,
11 unless the seller had no notice of the charges when the credit was
12 granted. The term does not include charges as a result of default,
13 additional charges under sec. 120 of this Act, delinquency charges
14 under sec. 125 of this Act, or deferral charges under sec. 130 of
15 this Act.

16 Sec. 45.90.105. DEFINITION: "CASH PRICE". The "cash price" of
17 goods, services, or an interest in land means the price at which the
18 goods, services, or interest in land are offered for sale by the
19 seller to cash buyers in the ordinary course of business, and may
20 include (1) applicable sales, use, and excise and documentary stamp
21 taxes, (2) the cash price of accessories or related services such
22 as delivery, installation, servicing, repairs, alterations, and
23 improvements, and (3) amounts actually paid or to be paid by the
24 seller for registration, certificate of title, or license fees. The
25 cash price stated by the seller to the buyer under secs. 65 - 225 of this
26 Act is presumed to be the cash price.

27 Sec. 45.90.110. DEFINITION: "AMOUNT FINANCED". "Amount financed"
28 means the total of the following items to the extent that payment is
29 deferred:

1 (1) the cash price of the goods, services, or interest in
2 land, less the amount of any down payment whether made in cash or in
3 property traded in,

4 (2) the amount actually paid or to be paid by the seller
5 under an agreement with the buyer to discharge a security interest
6 in or a lien on property traded in, and

7 (3) if not included in the cash price

8 (A) any applicable sales, use, or excise and docu-
9 mentary stamp taxes,

10 (B) amounts actually paid or to be paid by the seller
11 for registration, certificate of title, or license fees, and

12 (C) additional charges permitted under sec. 120 of
13 this Act.

14 Sec. 45.90.115. CREDIT SERVICE CHARGE FOR CONSUMER CREDIT SALES
15 OTHER THAN REVOLVING CHARGE ACCOUNTS. (a) With respect to a con-
16 sumer credit sale, other than a sale pursuant to a revolving charge
17 account, a seller may contract for and receive a credit service
18 charge not exceeding that permitted by this section.

19 (b) The credit service charge, calculated according to the
20 United States rule, may not exceed the equivalent of the greater of
21 either of the following:

22 (1) the total of

23 (A) 36 per cent per year on that part of the unpaid
24 balances of the amount financed which is \$300 or less;

25 (B) 21 per cent per year on that part of the unpaid
26 balances of the amount financed which is more than \$300 but does
27 not exceed \$1,000; and

28 (C) 15 per cent per year on that part of the unpaid
29 balances of the amount financed which is more than \$1,000; or

1 (2) 18 per cent per year on the unpaid balances of the
2 amount financed.

3 (c) This section does not limit or restrict the manner of con-
4 tracting for the credit service charge, whether by way of add-on,
5 discount, or otherwise, so long as the rate of the credit service
6 charge does not exceed that permitted by this section. If the sale
7 is precomputed,

8 (1) the credit service charge may be calculated on the
9 assumption that all scheduled payments will be made when due, and

10 (2) the effect of prepayment is governed by the provisions
11 under sec. 160 of this Act.

12 (d) For the purposes of this section, the term of a sale agree-
13 ment commences with the date the credit is granted or, if goods are
14 delivered or services performed 10 days or more after that date, with
15 the date of commencement of delivery or performance. Differences in
16 the lengths of months are disregarded and a day may be counted as
17 1/30th of a month. Subject to classifications and differentiations
18 the seller may reasonably establish, a part of a month in excess of
19 15 days may be treated as a full month if periods of 15 days or less
20 are disregarded and that procedure is not consistently used to obtain
21 a greater yield than would otherwise be permitted.

22 (e) Subject to classifications and differentiations the seller
23 may reasonably establish, he may make the same credit service charge on
24 all amounts financed within a specified range. A credit service charge
25 so made does not violate (b) of this section if

26 (1) when applied to the median amount within each range,
27 it does not exceed the maximum permitted by (b) of this section, and

28 (2) when applied to the lowest amount within each range,
29 it does not produce a rate of credit service charge exceeding the

1 rate calculated according to (e)(1) of this section by more than 8 per
2 cent of the rate calculated according to (e)(1).

3 (f) Notwithstanding (b) of this section, the seller may contract
4 for and receive a credit service charge of not more than \$5 when the
5 amount financed does not exceed \$75 or not more than \$7.50 when the
6 amount financed exceeds \$75.

7 (g) The amounts of \$300 and \$1,000 in (b) of this section are
8 subject to change under the provisions of sec.30 of this Act.

9 Sec. 45.90.120. ADDITIONAL CHARGES. (a) In addition to the
10 credit service charge permitted by secs.115 - 160 of this Act,
11 a seller may contract for and receive the following additional charges
12 in connection with a consumer credit sale:

13 (1) official fees and taxes;

14 (2) charges for insurance as described in (b) of this
15 section; and

16 (3) charges for other benefits, including insurance, con-
17 ferred on the buyer, if the benefits are of value to him apart from
18 the granting of the credit, the charges are reasonable in relation to
19 the benefits, and the administrator has by rule determined that the
20 charges are permissible additional charges.

21 (b) An additional charge may be made for insurance written in
22 connection with the sale, other than insurance protecting the seller
23 against the buyer's default or other credit loss,

24 (1) with respect to insurance against loss of or damage to
25 property, or against liability, if the seller furnishes a clear and
26 specific statement in writing to the buyer, setting forth the cost of
27 the insurance if obtained from or through the seller, and stating
28 that the buyer may choose the person through which the insurance is
29 to be obtained; and

1 (2) with respect to consumer credit insurance providing
2 life, accident or health coverage, if the insurance coverage is not a
3 factor in the approval by the seller of the extension of credit and
4 this fact is clearly disclosed in writing to the buyer, and if, in
5 order to obtain the insurance in connection with the extension of
6 credit, the buyer gives specific affirmative written indication of
7 his desire to do so after written disclosure to him of the cost
8 thereof.

9 (c) For the purposes of secs. 165 - 225 of this Act, if the
10 credit service charge with respect to a sale of an interest in land
11 does not exceed 10 per cent per year, as provided in sec. 75(b)(2)
12 of this Act, reasonable closing costs even though not within (a) of
13 this section may be treated as additional charges.

14 Sec. 45.90.125. DELINQUENCY CHARGES. (a) With respect to a
15 precomputed consumer credit sale, refinancing, or consolidation, the
16 parties may contract for a delinquency charge on any instalment not
17 paid in full within 10 days after its scheduled due date in an
18 amount not exceeding the greater of

19 (1) an amount, not exceeding \$5, which is 5 per cent of
20 the unpaid amount of the instalment, or

21 (2) the deferral charge as provided in sec. 130(a) of this
22 Act that would be permitted to defer the unpaid amount of the instal-
23 ment for the period that it is delinquent.

24 (b) A delinquency charge under (a)(1) of this section may be
25 collected only once on an instalment however long it remains in
26 default. No delinquency charge may be collected if the instalment
27 has been deferred and a deferral charge has been paid or incurred.
28 A delinquency charge may be collected at the time it accrues or at
29 any time thereafter.

1 (c) No delinquency charge may be collected on an instalment which
2 is paid in full within 10 days after its scheduled instalment due date
3 even though an earlier maturing instalment or a delinquency charge
4 on an earlier instalment may not have been paid in full. For purposes
5 of this subsection payments are applied first to current instalments
6 and then to delinquent instalments.

7 (d) The amount of \$5 in (a) of this section is subject to change
8 under the provisions of sec. 30 of this Act.

9 Sec. 45.90.130. DEFERRAL CHARGES. (a) With respect to a pre-
10 computed consumer credit sale, refinancing or consolidation, the
11 parties before or after default may agree in writing to defer payment
12 of all or part of one or more unpaid instalments, and the seller may
13 make and collect a charge not exceeding the rate previously stated
14 to the buyer under the provisions of secs. 165 - 225 of this Act
15 applied to the amount or amounts deferred for the period of deferral
16 calculated without regard to differences in lengths of months, but
17 proportionally for a part of a month, counting each day as 1/30 of a
18 month. A deferral charge may be collected at the time it is assessed
19 or at any time thereafter.

20 (b) The seller may, in addition to the deferral charge, make
21 appropriate additional charges as provided in sec. 120 of this Act,
22 and the amount of these charges which is not paid in cash may be
23 added to the amount deferred for the purpose of calculating the
24 deferral charge.

25 (c) The parties may agree in writing at the time of a precom-
26 puted consumer credit sale, refinancing, or consolidation that if an
27 instalment is not paid within 10 days after its due date, the seller
28 may unilaterally grant a deferral and make charges as provided in
29 this section. No deferral charge may be made for a period after the

1 date that the seller elects to accelerate the maturity of the agree-
2 ment.

3 (d) A delinquency charge made by the seller on an instalment
4 may not be retained if a deferral charge is made under this section
5 with respect to the period of delinquency.

6 Sec. 45.90.135. CREDIT SERVICE CHARGE ON REFINANCING. With
7 respect to a consumer credit sale, refinancing, or consolidation, the
8 seller may by agreement with the buyer refinance the unpaid balance
9 and may contract for and receive a credit service charge based on the
10 amount financed resulting from the refinancing at a rate not exceeding
11 that permitted by the provisions of sec. 115 of this Act. For the
12 purpose of determining the credit service charge permitted, the
13 amount financed resulting from the refinancing comprises the following:

14 (1) if the transaction was not precomputed, the total of
15 the unpaid balance and accrued charges on the date of refinancing, or,
16 if the transaction was precomputed, the amount which the buyer would
17 have been required to pay upon prepayment under sec. 160 of this Act
18 on the date of refinancing, except that for the purpose of computing
19 this amount no minimum credit service charge, as provided under
20 sec. 115(f) of this Act, shall be allowed; and

21 (2) appropriate additional charges as provided in sec. 120
22 of this Act, payment of which is deferred.

23 Sec. 45.90.140. CREDIT SERVICE CHARGE ON CONSOLIDATION. If a
24 buyer owes an unpaid balance to a seller with respect to a consumer
25 credit sale, refinancing, or consolidation, and becomes obligated on
26 another consumer credit sale, refinancing, or consolidation, with the
27 same seller, the parties may agree to a consolidation resulting in a
28 single schedule of payments under either of the following paragraphs:

29 (1) the parties may agree to refinance the unpaid balance

1 with respect to the previous sale under the provisions of sec. 135
2 of this Act and to consolidate the amount financed resulting from the
3 refinancing by adding it to the amount financed with respect to the
4 subsequent sale. The seller may contract for and receive a credit
5 service charge based on the aggregate amount financed resulting from
6 the consolidation at a rate not exceeding that permitted by sec. 115
7 of this Act.

8 (2) The parties may agree to consolidate by adding
9 together the unpaid balances with respect to the two sales.

10 Sec. 45.90.145. CREDIT SERVICE CHARGE FOR REVOLVING CHARGE
11 ACCOUNTS. (a) With respect to a consumer credit sale made pursuant
12 to a revolving charge account, the parties to the sale may contract
13 for the payment by the buyer of a credit service charge not exceeding
14 that permitted in this section.

15 (b) A charge may be made in each billing cycle which is a per-
16 centage of an amount no greater than

17 (1) the average daily balance of the account,

18 (2) the unpaid balance of the account on the same day of
19 the billing cycle, or

20 (3) the median amount within a specified range within which
21 the average daily balance of the account or the unpaid balance of the
22 account on the same day of the billing cycle is included. A charge
23 may be made under this paragraph only if the seller, subject to
24 classifications and differentiations he may reasonably establish,
25 makes the same charge on all balances within the specified range and
26 if the percentage when applied to the median amount within the range
27 does not produce a charge exceeding the charge resulting from apply-
28 ing that percentage to the lowest amount within the range by more
29 than 8 per cent of the charge on the median amount.

1 (c) If the billing cycle is monthly, the charge may not exceed
2 2 per cent of that part of the amount under (b) of this section
3 which is \$500 or less and 1 1/2 per cent on that part of this amount
4 which is more than \$500. If the billing cycle is not monthly, the
5 maximum charge is that percentage which bears the same relation to
6 the applicable monthly percentage as the number of days in the billing
7 cycle bears to 30. For the purposes of this section, a variation of
8 not more than 4 days from month to month is "the same day of the
9 billing cycle."

10 (d) Notwithstanding (c) of this section, if there is an unpaid
11 balance on the date as of which the credit service charge is applied,
12 the seller may contract for and receive a charge not exceeding 50¢,
13 if the billing cycle is monthly or longer, or the pro rata part of
14 50¢ which bears the same relation to 50¢ as the number of days in the
15 billing cycle bears to 30, if the billing cycle is shorter than
16 monthly.

17 (e) The amounts of \$500 in (c) of this section are subject to
18 change under the provisions of sec. 30 of this Act.

19 Sec. 45.90.150. ADVANCES TO PERFORM COVENANTS OF BUYER. (a) If
20 the agreement with respect to a consumer credit sale, refinancing, or
21 consolidation contains covenants by the buyer to perform certain
22 duties pertaining to insuring or preserving collateral and the seller
23 pursuant to the agreement pays for performance of the duties on behalf
24 of the buyer, he may add the amounts paid to the debt. Within a
25 reasonable time after advancing any sums, he shall state to the buyer
26 in writing the amount of the sums advanced, any charges with respect
27 to this amount, and any revised payment schedule and, if the duties
28 of the buyer performed by the seller pertain to insurance, a brief
29 description of the insurance paid for by the seller including the

1 type and amount of coverages. No further information need be given.

2 (b) A credit service charge may be made for sums advanced under
3 (a) of this section at a rate not exceeding the rate stated to the
4 buyer under secs. 165 - 225 of this Act with respect to the sale,
5 refinancing, or consolidation, except that with respect to a revolving
6 charge account the amount of the advance may be added to the unpaid
7 balance of the account and the seller may make a credit service charge
8 not exceeding that permitted by sec. 145 of this Act.

9 Sec. 45.90.155. RIGHT TO PREPAY. Subject to the provisions of
10 sec. 160 of this Act, the buyer may prepay in full the unpaid balance
11 of a consumer credit sale, refinancing, or consolidation at any time
12 without penalty.

13 Sec. 45.90.160. REBATE UPON PREPAYMENT. (a) Except as pro-
14 vided in (b) of this section, upon prepayment in full of the unpaid
15 balance of a precomputed consumer credit sale, refinancing, or con-
16 solidation, an amount not less than the unearned portion of the credit
17 service charge calculated according to this section shall be rebated
18 to the buyer. If the rebate otherwise required is less than \$1, no
19 rebate need be made.

20 (b) Upon prepayment in full of a consumer credit sale, refinan-
21 cing, or consolidation, other than one pursuant to a revolving charge
22 account, if the credit service charge then earned is less than any
23 permitted minimum credit service charge, as provided in sec. 115(f)
24 of this Act, contracted for, whether or not the sale, refinancing, or
25 consolidation is precomputed, the seller may collect or retain the
26 minimum charge, as if earned, not exceeding the credit service charge
27 contracted for.

28 (c) Except as otherwise provided in this subsection with respect
29 to a sale of an interest in land or a consumer credit sale secured by

1 an interest in land, the unearned portion of the credit service
2 charge is a fraction of the credit service charge of which the
3 numerator is the sum of the periodic balances scheduled to follow
4 the computational period in which prepayment occurs, and the
5 denominator is the sum of all periodic balances under either the
6 sale agreement or, if the balance owing resulted from a refinancing
7 under sec. 135 of this Act or a consolidation under sec. 140 of
8 this Act, under the refinancing agreement or consolidation agreement.
9 In the case of a sale of an interest in land or a consumer credit
10 sale secured by an interest in land, reasonable sums actually paid
11 or payable to persons not related to the seller for customary
12 closing costs included in the credit service charge are deducted
13 from the credit service charge before the calculation prescribed
14 by this subsection is made.

15 (d) In this section

16 (1) "periodic balance" means the amount scheduled to
17 be outstanding on the last day of a computational period before
18 deducting the payment, if any, scheduled to be made on that day;

19 (2) "computational period" means one month if one-half
20 or more of the intervals between scheduled payments under the
21 agreement is one month or more, and otherwise means one week;

22 (3) the "interval" to the due date of the first
23 scheduled instalment or the final scheduled payment date is
24 measured from the date of a sale, refinancing, or consolidation,
25 or any later date prescribed for calculating maximum credit service
26 charges under sec. 115(d) of this Act, and includes either the
27 first or last day of the interval;

28 (4) if the interval to the due date of the first
29 scheduled instalment does not exceed one month by more than 15 days

1 when the computational period is one month, or 11 days when the com-
2 putational period is one week, the interval shall be considered as
3 one computational period.

4 (e) This subsection applies only if the schedule of payments
5 is not regular under sec. 180(f) of this Act.

6 (1) If the computational period is one month and

7 (A) if the number of days in the interval to the
8 due date of the first scheduled instalment is less than one
9 month by more than 5 days, or more than one month by more
10 than 5 but not more than 15 days, the unearned credit service
11 charge shall be increased by an adjustment for each day by
12 which the interval is less than one month and, at the option
13 of the seller, may be reduced by an adjustment for each day
14 by which the interval is more than one month; the adjustment
15 for each day shall be 1/30th of that part of the credit service
16 charge earned in the computational period prior to the due
17 date of the first scheduled instalment assuming that period
18 to be one month; and

19 (B) if the interval to the final scheduled payment
20 date is a number of computational periods plus an additional
21 number of days less than a full month, the additional number
22 of days shall be considered a computational period only if
23 16 days or more. This subparagraph applies whether or not
24 (e)(1)(A) applies.

25 (2) Notwithstanding (e)(1) of this section, if the
26 computational period is one month, the number of days in the interval
27 to the due date of the first instalment exceeds one month by not
28 more than 15 days, and the schedule of payments is otherwise regular,
29 the seller may, at his option, exclude the extra days and the

1 charge for the extra days in computing the unearned credit service
2 charge; but if he does so and a rebate is required before the due
3 date of the first scheduled instalment, he shall compute the earned
4 charge for each elapsed day as 1/30th of the amount the earned
5 charge would have been if the first interval had been one month.

6 (3) If the computational period is one week and

7 (A) if the number of days in the interval to the
8 due date of the first scheduled instalment is less than 5 days,
9 or more than 9 days but not more than 11 days, the unearned
10 credit service charge shall be increased by an adjustment for
11 each day by which the interval is less than 7 days and, at
12 the option of the seller, may be reduced by an adjustment
13 for each day by which the interval is more than 7 days; the
14 adjustment for each day shall be 1/7th of that part of the
15 credit service charge earned in the computational period prior
16 to the due date of the first scheduled instalment assuming
17 that period to be one week; and

18 (B) if the interval to the final scheduled payment
19 date is a number of computational periods plus an additional
20 number of days less than a full week, the additional number
21 of days shall be considered a computational period only if
22 4 days or more. This subparagraph applies whether or not
23 (e)(3)(A) applies.

24 (f) If a deferral under sec. 130 of this Act has been agreed to
25 the unearned portion of the credit service charge shall be computed
26 without regard to the deferral. The amount of deferral charge earned
27 at the date of prepayment shall also be calculated. If the deferral
28 charge earned is less than the deferral charge paid, the difference
29 shall be added to the unearned portion of the credit service charge.

1 If any part of a deferral charge has been earned but has not been paid,
2 that part shall be subtracted from the unearned portion of the credit
3 service charge, or shall be added to the unpaid balance.

4 (g) This section does not preclude the collection or retention
5 by the seller of delinquency charges under sec. 125 of this Act.

6 (h) If the maturity is accelerated for any reason and judgment
7 is obtained, the buyer is entitled to the same rebate as if payment
8 had been made on the date judgment is entered.

9 (i) Upon prepayment in full of a consumer credit sale by the
10 proceeds of consumer credit insurance under sec. 645 of this Act, the
11 buyer or his estate is entitled to the same rebate as though the
12 buyer had prepaid the agreement on the date the proceeds of the insur-
13 ance are paid to the seller, but no later than 10 business days after
14 satisfactory proof of loss is furnished to the seller.

15 Sec. 45.90.165. APPLICABILITY; INFORMATION REQUIRED. (a) For
16 purposes of secs. 165 - 225 of this Act, consumer credit sale includes
17 the sale of an interest in land without regard to the rate of the
18 credit service charge if the sale is otherwise a consumer credit sale
19 under sec. 75 of this Act.

20 (b) The seller shall disclose to the buyer to whom credit is
21 extended with respect to a consumer credit sale the information
22 required by either

23 (1) secs. 165 - 225 of this Act, or

24 (2) except with respect to a consumer credit sale of an
25 interest in land or secured by an interest in land, the Federal
26 Consumer Credit Protection Act.

27 (c) For the purposes of (b)(2) of this section, information
28 which would otherwise be required under the Federal Consumer Credit
29 Protection Act is sufficient even though the transaction is one of a

1 class of credit transactions exempted from that Act under a determina-
2 tion by the Board of Governors of the Federal Reserve System that the
3 class of transactions is subject under the law of this state to
4 requirements substantially similar to those imposed under that Act.

5 (d) The lessor shall disclose to the lessee to whom credit is
6 extended with respect to a consumer lease the information required
7 by secs. 165 - 225 of this Act.

8 Sec. 45.90.170. GENERAL DISCLOSURE REQUIREMENTS AND PROVISIONS.

9 (a) The disclosure by secs. 165 - 225 of this Act

10 (1) shall be made clearly and conspicuously;

11 (2) shall be in writing, a copy of which shall be delivered
12 to the buyer or lessee, but need not be contained in a single writing
13 nor made in the order set for in secs. 165 - 225 of this Act;

14 (3) may use terminology different from that employed in
15 secs. 165 - 225 of this Act if it conveys substantially the same
16 meaning;

17 (4) may be supplemented by additional information or
18 explanations supplied by the seller or lessor;

19 (5) need be made only to the extent applicable and only
20 as to those items for which the seller or lessor makes a separate
21 charge to the buyer or lessee;

22 (6) shall be made on the assumption that all scheduled
23 instalments are paid when due; and

24 (7) comply with secs. 165 - 225 of this Act although
25 rendered inaccurate by any act, occurrence, or agreement subsequent
26 to the required disclosure.

27 (b) Except with respect to sales made by telephone or mail
28 under sec. 185 and consolidations under sec. 200, of this Act,

29 (1) the disclosures required by secs. 165 - 225 of this Act

1 shall be made before credit is extended, but may be made in the sale,
2 refinancing, or consolidation agreement, lease, or other evidence of
3 indebtedness to be signed by the buyer or lessee if set forth con-
4 spicuously therein, and need be made only to one buyer or lessee if
5 there are more than one, and

6 (2) if an evidence of indebtedness is signed by the buyer
7 or lessee, the seller or lessor shall give him a copy when the
8 writing is signed.

9 (c) Except as provided in sec. 785 and sec. 780(d), written
10 acknowledgment of receipt by a buyer or lessee to whom a statement
11 is required to be given under secs. 165 - 225 of this Act

12 (1) in an action or proceeding by or against the original
13 seller or lessor, creates a presumption that the statement was given,
14 and

15 (2) in an action or proceeding by or against an assignee
16 without knowledge to the contrary when he acquires the obligation,
17 is conclusive proof of the delivery of the statement and, unless
18 the violation is apparent on the face of the statement, of compliance
19 with secs. 165 - 225 of this Act.

20 Sec. 45.90.175. OVERSTATEMENT. The disclosure of an amount or
21 percentage which is greater than the amount or percentage required to
22 be disclosed under secs. 165 - 225 of this Act does not in itself
23 constitute a violation of these sections if the overstatement is not
24 materially misleading and is not used to avoid meaningful disclosure.

25 Sec. 45.90.180. CALCULATION OF RATE TO BE DISCLOSED. (a) Except
26 as otherwise specifically provided, if a seller is required to give
27 to a buyer a statement of the rate of the credit service charge he
28 shall state the rate in terms of an annual percentage rate as defined
29 in (b) of this section or in terms of a corresponding nominal annual

1 percentage rate as defined in (c) of this section, whichever is
2 appropriate.

3 (b) "Annual percentage rate"

4 (1) with respect to a consumer credit sale other than one
5 made pursuant to a revolving charge account, is either

6 (A) that nominal annual percentage rate which, when
7 applied to the unpaid balances of the amount financed calculated
8 according to the United States rule, will yield a sum equal to
9 the amount of the credit service charge, or

10 (B) that rate determined by any method prescribed by
11 the administrator as a method which materially simplifies com-
12 putation while retaining reasonable accuracy as compared with
13 the rate determined under (b)(1)(A) of this section;

14 (2) with respect to a consumer credit sale made pursuant
15 to a revolving charge account, is the quotient expressed as a percent-
16 age of the total credit service charge for the period to which it
17 relates divided by the amount upon which the credit service charge
18 for that period is based, multiplied by the number of these periods
19 in a year; if the period is one day, the number of periods in a year
20 is considered to be 360.

21 (c) "Corresponding nominal annual percentage rate" is the
22 percentage or percentages used to calculate the credit service charge
23 for one billing cycle or other period pursuant to a revolving charge
24 account multiplied by the number of billing cycles or periods in a
25 year; if the period is one day, the number of periods in a year is
26 considered to be 360.

27 (d) If a seller is permitted to make the same credit service
28 charge for all amounts financed within a specified range under
29 sec. 115(e) of this Act or for all balances within a specified range

1 under sec. 145(b) of this Act, he shall state the annual percentage
2 rate or corresponding nominal annual percentage rate, whichever is
3 appropriate, as applied to the median amount of the range within which
4 the actual amount financed or balance is included.

5 (e) If a debt is payable on a schedule of instalment payments
6 which is regular except for one or more of the following irregular-
7 ities:

8 (1) the amount of one instalment payment is not substantial-
9 ly equal to the amount of each of the other instalment payments;

10 (2) the interval between the date the credit is granted
11 and the first instalment payment is not equal to the interval between
12 instalment payments; or

13 (3) in one or more payment periods no instalment payment
14 is due, not exceeding one-fourth of the payment periods in any year
15 if the length of the term of the agreement is a year or more, or
16 one-fourth of the payment periods if the length of the term of the
17 agreement is less than a year, the seller may, at his option, calcu-
18 late the rate to be disclosed as if the debt were payable under an
19 agreement having the same amount financed, the same length of term
20 to the nearest full scheduled payment period, and a regular schedule
21 of payments having the same interval between payments as the interval
22 between the majority of instalments as scheduled in the sale agreement.

23 (f) A schedule of payments is regular if (1) the instalment
24 payments other than the down payment are substantially equal in
25 amount, (2) the interval between instalment payments is one month,
26 or the intervals between instalment payments are equal and less than
27 one month, and (3) the interval between the date the credit is
28 granted and the first instalment payment is equal to the interval
29 between instalment payments.

1 (g) If the credit service charge does not begin to accrue until
2 after the date the credit is granted, the seller may, at his option,
3 calculate the rate to be disclosed on the basis of the period between
4 the date when the credit service charge begins to accrue and the
5 date of the final payment under the agreement, and, if he does so,
6 he shall inform the buyer of the date when the credit service charge
7 begins to accrue.

8 (h) A statement of rate complies with secs. 165 - 225 of this
9 Act if it does not vary from the accurately computed rate by more
10 than the following tolerances:

11 (1) the annual percentage rate may be rounded to the
12 nearest quarter of 1 per cent for consumer credit sales payable in
13 substantially equal instalments when a seller determines the total
14 credit service charge on the basis of a single add-on, discount,
15 periodic, or other rate, and the rate is converted into an annual
16 percentage rate under procedures prescribed by the administrator;

17 (2) the administrator may authorize the use of rate tables
18 or charts which may provide for the disclosure of annual percentage
19 rates which vary from the rate determined in accordance with (h)(1)
20 of this section by not more than the tolerances the administrator may
21 allow; the administrator may not allow a tolerance greater than 8 per
22 cent of that rate except to simplify compliance where irregular pay-
23 ments are involved; and

24 (3) in case a seller determines the annual percentage rate
25 in a manner other than as described in (h)(1) or (2) of this section,
26 the administrator may authorize other reasonable tolerances.

27 Sec. 45.90.185. SALES MADE BY TELEPHONE OR MAIL. (a) With
28 respect to a consumer credit sale, other than a sale made pursuant to
29 a revolving charge account, if the seller receives a purchase order

1 or offer by mail or telephone without personal solicitation, the seller
2 complies with secs. 165 - 225 of this Act if (1) he makes the dis-
3 closures at the time and in the manner provided in sec. 170(b) of this
4 Act, or (2) the seller's catalog or other printed material distri-
5 buted to the public sets forth the cash price, the method of deter-
6 mining the deferred payment price, and the terms of financing,
7 including the annual percentage rate, and before the first payment is
8 due on the sale, he gives the information required by secs. 165 - 225
9 of this Act including the notice prescribed in (b) of this section.

10 (b) The notice shall be in writing and conspicuous and shall
11 provide that if the buyer does not wish to make the purchase on
12 credit, he may, within 15 days of receipt of the notice, prepay the
13 obligation as to that purchase for an amount stated or identified
14 in the notice and avoid the payment of any credit service charge as
15 to that purchase. A prepayment under this section is subject to the
16 provisions of this Act on prepayment, except that no credit service
17 charge shall be made if prepayment in full is made within the period
18 specified in the notice. Payment by mail is effective when posted.

19 Sec. 45.90.190. CONSUMER CREDIT SALES NOT PURSUANT TO REVOLVING
20 CHARGE ACCOUNT. (a) This section applies to a consumer credit sale
21 not made under sec. 210 of this Act.

22 (b) The seller shall give to the buyer the following information:

23 (1) brief description or identification of the goods,
24 services, or interest in land;

25 (2) cash price of the goods, services, or interest in land,
26 and any applicable sales, use, excise, transfer, or documentary stamp
27 taxes not included in the cash price; if property and related ser-
28 vices are sold as part of one transaction, the price of the property
29 and services may be separately stated or combined;

1 (3) amount of the down payment and a statement of the
2 portion paid in money and the portion paid by an allowance for proper-
3 ty traded in; if there is a security interest in the property traded
4 in which the seller agrees to discharge, the seller shall also state
5 the amount which the seller agrees to pay to discharge the security
6 interest and this amount may be deducted from the allowance for
7 property traded in;

8 (4) difference between the amount of cash price under
9 (b)(2) of this section and the amount of down payment under (b)(3)
10 of this section;

11 (5) amount paid or payable for registration, certificate
12 of title or license fees, if not included in the cash price, and a
13 description or identification of the fees;

14 (6) amount of official fees and taxes if not included in
15 the cash price and a description or identification of them;

16 (7) brief description of insurance to be provided or paid
17 for by the seller including the type and amount of the coverages,
18 and if a separate charge is made, the amount of the charge;

19 (8) amount of other additional charges under sec. 120 of
20 this Act and a brief description or identification of them.

21 (9) amount financed (sum of amounts stated in (b)(4),
22 (5), (6), (7), and (8) of this section;

23 (10) except in the case of a sale of a dwelling when the
24 credit service charge does not exceed 10 per cent per year under
25 sec. 75 of this Act, the amount of the credit service charge and the
26 amount of the unpaid balance (amount financed plus credit service
27 charge);

28 (11) rate of the credit service charge as applied to the
29 amount financed in accordance with the provisions on calculation of

1 rate under sec. 180 of this Act, except in the case of a credit ser-
2 vice charge which does not exceed \$5 when the amount financed does
3 not exceed \$75 or \$7.50 when the amount financed exceeds \$75;

4 (12) number of payments, amount of each payment, due date
5 of first payment, and the due date of subsequent payments or interval
6 between payments;

7 (13) default, delinquency, or similar charges payable in
8 the event of late payments; and

9 (14) description of any security interest held or to be
10 retained or acquired by the seller in connection with the extension
11 of credit, and a clear identification of the property to which the
12 security interest relates.

13 Sec. 45.90.195. REFINANCING. If the seller refinances the
14 balance owing with respect to a consumer credit sale, refinancing, or
15 consolidation under sec. 135 of this Act, he shall state to the buyer
16 the following:

17 (1) unpaid balance before refinancing;

18 (2) amount and brief itemization of rebates to which buyer
19 would have been entitled if the debt had been prepaid under sec. 160
20 of this Act on the date of refinancing, except that for the purpose
21 of computing this amount no minimum credit service charge under
22 sec. 115(f) of this Act shall be allowed;

23 (3) amount and brief itemization of additional charges in
24 connection with the refinancing and a brief indication of any change
25 in the type or terms of insurance;

26 (4) amount financed resulting from the refinancing;

27 (5) amount of credit service charge;

28 (6) amount of unpaid balance;

29 (7) number of payments, amount of each payment, due date

1 of first payment, and the due date of subsequent payments or interval
2 between payments; and

3 (8) rate of the credit service charge as applied to the
4 amount financed in accordance with sec. 180 of this Act, except in
5 the case of a credit service charge which does not exceed \$5 when the
6 amount financed does not exceed \$75 or \$7.50 when the amount financed
7 exceeds \$75.

8 Sec. 45.90.200. CONSOLIDATION. (a) Except as provided in (b)
9 of this section, if the parties agree to consolidate an existing
10 unpaid balance from a previous consumer credit sale, refinancing, or
11 consolidation, with the amount financed from a subsequent consumer
12 credit sale, refinancing, or consolidation, the seller shall state:

13 (1) with respect to the refinanced unpaid balance, the
14 information required by sec. 195(1) - (4) of this Act;

15 (2) with respect to the subsequent sale, the information
16 required by sec. 190(b)(1) - (10) of this Act;

17 (3) the aggregate amount financed, the amount of the
18 credit service charge, the amount of the unpaid balance, the number
19 of payments, the amount of each payment, the due date of the first
20 payment, and the due dates of subsequent payments or the interval
21 between payments; and

22 (4) the rate of the credit service charge as applied to
23 the aggregate amount financed in accordance with sec. 180, except in
24 the case of a credit service charge which does not exceed \$5 when
25 the aggregate amount financed does not exceed \$75 or \$7.50 when the
26 amount financed exceeds \$75.

27 (b) If a consumer credit sale is made under an agreement provid-
28 ing for the addition of the unpaid balance resulting from a subsequent
29 sale to an existing unpaid balance resulting from a previous sale,

1 and the buyer has approved in writing both the annual percentage rate
2 or rates and the method of computing the credit service charge or
3 charges,

4 (1) the information required to be given with respect to
5 the subsequent sale under sec. 190 of this Act may be given on or
6 before the due date of the first instalment under the consolidated
7 schedule of payments; and

8 (2) with respect to the consolidation, the seller, on or
9 before the due date of the first instalment under the consolidated
10 schedule of payments, shall state to the buyer the amount of the
11 consolidated unpaid balance, the number of payments, amount of each
12 payment, the due date of the first payment, and the due dates of
13 subsequent payments or the interval between payments.

14 Sec. 45.90.205. DEFERRAL. If the seller makes a deferral under
15 sec. 130 of this Act, he shall state to the buyer, at the time of or
16 promptly after the deferral:

17 (1) amount deferred;

18 (2) any appropriate additional charges under sec. 120
19 of this Act;

20 (3) aggregate amount deferred, which is the sum of the
21 amount in (1) of this section and any unpaid amount included in (2)
22 of this section;

23 (4) time to which payment is deferred; and

24 (5) amount and annual percentage rate of the deferral
25 charge and when it is payable.

26 Sec. 45.90.210. REVOLVING CHARGE ACCOUNTS. (a) Before making
27 a consumer credit sale pursuant to a revolving charge account, the
28 seller shall give to the buyer the following information:

29 (1) conditions under which a credit service charge may be

1 made, including the time period, if any, within which any credit
2 extended may be repaid without incurring a credit service charge;

3 (2) method of determining the balance upon which a credit
4 service charge will be computed;

5 (3) method of determining the amount of the credit service
6 charge, including the periodic percentage or percentages used to
7 calculate the credit service charge and the amount of any minimum
8 credit service charge;

9 (4) corresponding nominal annual percentage rate under
10 sec. 180(c) of this Act; if more than one corresponding nominal annual
11 percentage rate may be used, the amount of a balance to which each
12 corresponding nominal annual percentage rate applies shall also be
13 stated;

14 (5) if the seller elects he may also state either

15 (A) the average effective annual percentage rate of
16 return received from revolving charge accounts for a representa-
17 tive period of time; or

18 (B) if circumstances are such that the computation of
19 a rate under (a)(5)(A) of this section would not be feasible
20 or practical, or would be misleading or meaningless, a projected
21 rate of return to be received from revolving charge accounts;
22 the administrator shall prescribe rules, consistent with commonly
23 accepted standards for accounting or statistical procedures,
24 to carry out the purposes of (a)(5) of this section;

25 (6) conditions under which additional charges may be made
26 and the method by which they will be determined; and

27 (7) conditions under which the seller may retain or acquire
28 a security interest in property to secure the balances resulting from
29 sales made pursuant to the revolving charge account, and a description

1 of the interest or interests which may be retained or acquired.

2 (b) If there is an outstanding balance owing at the end of the
3 billing cycle or if a credit service charge is made with respect to
4 the billing cycle, the seller shall give to the buyer the following
5 information within a reasonable time after the end of the billing
6 cycle:

7 (1) outstanding balance at the beginning of the billing
8 cycle;

9 (2) cash price and date of each sale during the billing
10 cycle and, unless previously furnished, a brief description or iden-
11 tification of the goods or services sold;

12 (3) amount credited to the account during the billing cycle;

13 (4) amount of credit service charge and additional charges
14 debited during the billing cycle, with an itemization or explanation
15 to show the total amount of credit service charge, if any, due to
16 the application of one or more periodic percentages and the amount,
17 if any, imposed as a minimum charge;

18 (5) the periodic percentage used to calculate the credit
19 service charge; if more than one periodic percentage is used, each
20 percentage and the amount of the balance to which each applies;

21 (6) the balance on which the credit service charge is
22 computed and a statement of how the balance is determined; if the
23 balance is determined without first deducting all amounts credited
24 during the period, that fact and the amounts credited shall also be
25 stated;

26 (7) if the credit service charge for the billing cycle
27 exceeds 50¢ for a monthly or longer billing cycle, or the pro rata
28 part of 50¢ for a billing cycle shorter than monthly, the credit ser-
29 vice charge expressed as an annual percentage rate under sec.

1 180(b)(2); if more than one periodic percentage is used to calculate
2 the credit service charge, the seller may, in lieu of stating a
3 single annual percentage rate, state more than one annual percentage
4 rate and the amount of the balance to which each annual percentage
5 rate applies;

6 (8) if the credit service charge for the billing cycle
7 does not exceed 50¢ for a monthly or longer billing cycle, or the
8 pro rata part of 50¢ for a billing cycle shorter than monthly, the
9 corresponding nominal annual percentage rate under sec. 180(c) of this
10 Act.

11 (9) if the seller elects, the average effective annual
12 percentage rate of return or the projected rate as prescribed in
13 (a)(5) of this section;

14 (10) outstanding balance at the end of the billing cycle;
15 and

16 (11) date by which or period within which payment must be
17 made to avoid additional credit service charges.

18 Sec. 45.90.215. CONSUMER LEASES. With respect to a consumer
19 lease the lessor shall give to the lessee the following information:

20 (1) brief description or identification of the goods;

21 (2) amount of any payment required at the inception of
22 the lease;

23 (3) amount paid or payable for official fees, registration
24 certificate of title, or license fees or taxes;

25 (4) amount of other charges not included in the periodic
26 payments and brief description of the charges;

27 (5) brief description of insurance to be provided or paid
28 for by the lessor, including the types and amounts of the coverages;

29 (6) number of periodic payments, the amount of each payment,

1 the due date of the first payment, the due dates of subsequent pay-
2 ments or interval between payments, and the total amount payable by
3 the lessee;

4 (7) statement of the conditions under which the lessee may
5 terminate the lease prior to the end of the term; and

6 (8) statement of the liabilities the lease imposes upon
7 the lessee at the end of the term.

8 Sec. 45.90.220. CONTENT OF PERIODIC STATEMENTS. The adminis-
9 trator may by rule require a creditor who transmits periodic statements
10 in connection with any consumer credit sale, not made pursuant to a
11 revolving charge account, to set forth in each statement each of the
12 following items:

13 (1) the annual percentage rate of the credit service
14 charge with respect to each consumer credit sale to which the state-
15 ment relates;

16 (2) the date by which or the period, if any, within which
17 payment must be made in order to avoid further credit service charges
18 or other charges; and

19 (3) the other items set forth in sec. 210(b) of this
20 Act appropriate to the terms and conditions under which the consumer
21 credit sale is made.

22 Sec. 45.90.225. ADVERTISING. (a) No seller or lessor shall
23 engage in this state in false or misleading advertising concerning
24 the terms or conditions of credit with respect to a consumer credit
25 sale or consumer lease.

26 (b) Without limiting the generality of (a) of this section and
27 without requiring a statement of rate of credit service charge if
28 the credit service charge is not more than \$5 when the amount financed
29 does not exceed \$75 or more than \$7.50 when the amount financed

1 exceeds \$75, an advertisement with respect to a consumer credit sale
2 made by the posting of a public sign, or by catalog, magazine, news-
3 paper, radio, television, or similar mass media, is misleading if

4 (1) it states the rate of credit service charge and the
5 rate is not stated in the form required by sec. 180 of this Act, or

6 (2) it states the dollar amounts of the credit service
7 charge or instalment payments, and does not also state the rate of
8 any credit service charge and the number and amount of the instalment
9 payments.

10 (c) In this section a catalog or other multiple-page advertise-
11 ment is considered a single advertisement if it clearly and conspicu-
12 ously displays a credit terms table setting forth the information
13 required by this section.

14 (d) This section imposes no liability on the owner or personnel,
15 as such, of any medium in which an advertisement appears or through
16 which it is disseminated.

17 (e) Advertising which complies with the Federal Consumer Credit
18 Protection Act does not violate (b) of this section.

19 Sec. 45.90.230 USE OF MULTIPLE AGREEMENTS. A seller may not
20 use multiple agreements with intent to obtain a higher credit service
21 charge than would otherwise be permitted by secs. 65 - 350 of this
22 Act or to avoid disclosure of an annual percentage rate under
23 secs. 165 - 225 of this Act. The excess amount of credit service
24 charge provided for in agreements in violation of this section is an
25 excess charge for the purposes of the provisions on the effect of
26 violations on rights of parties under sec. 775 of this Act and the
27 provisions on civil action by administrator under sec. 865 of this
28 Act.

29 Sec. 45.90.235. CERTAIN NEGOTIABLE INSTRUMENTS PROHIBITED. In

1 a consumer credit sale or consumer lease, other than a sale or lease
2 primarily for an agricultural purpose, the seller or lessor may not
3 take a negotiable instrument other than a check as evidence of the
4 obligation of the buyer or lessee. A holder is not in good faith if
5 he takes a negotiable instrument with notice that it is issued in
6 violation of this section. A holder in due course is not subject
7 to the liabilities set forth in secs. 775 and 865 of this Act.

8 Sec. 45.90.240. ASSIGNEE SUBJECT TO DEFENSES. With respect to
9 a consumer credit sale or consumer lease, other than a sale or lease
10 primarily for an agricultural purpose, an assignee of the rights of
11 the seller or lessor is subject to all claims and defenses of the
12 buyer or lessee against the seller or lessor arising out of the sale
13 or lease notwithstanding an agreement to the contrary, but the
14 assignee's liability under this section may not exceed the amount
15 owing to the assignee at the time the claim or defense is asserted
16 against the assignee. Rights of the buyer or lessee under this
17 section can only be asserted as a matter of defense to or set-off
18 against a claim by the assignee.

19 Sec. 45.90.245. BALLOON PAYMENTS. With respect to a consumer
20 credit sale, other than one primarily for an agricultural purpose or
21 one pursuant to a revolving charge account, if any scheduled payment
22 is more than twice as large as the average of earlier scheduled pay-
23 ments, the buyer has the right to refinance the amount of that pay-
24 ment at the time it is due without penalty. The terms of the refi-
25 nancing shall be no less favorable to the buyer than the terms of the
26 original sale. These provisions do not apply to the extent that the
27 payment schedule is adjusted to the seasonal or irregular income of
28 the buyer.

29 Sec. 45.90.250. RESTRICTION ON LIABILITY IN CONSUMER LEASE.

1 The obligation of a lessee upon expiration of a consumer lease, other
2 than one primarily for an agricultural purpose, may not exceed twice
3 the average payment allocable to a monthly period under the lease.
4 This limitation does not apply to charges for damages to the leased
5 property or for other default.

6 Sec. 45.90.255. SECURITY IN SALES OR LEASES. (a) With respect
7 to a consumer credit sale, a seller may take a security interest in
8 the property sold. In addition, a seller may take a security interest
9 in goods upon which services are performed or in which goods sold are
10 installed or to which they are annexed, or in land to which the goods
11 are affixed or which is maintained, repaired or improved as a result
12 of the sale of the goods or services, if in the case of a security
13 interest in land the debt secured is \$1,000 or more, or, in the case
14 of a security interest in goods the debt secured is \$300 or more.
15 The seller may also take a security interest in any property of the
16 buyer to secure the debt arising from a consumer credit sale primarily
17 for an agricultural purpose. Except as provided with respect to
18 cross-collateral under sec. 260 of this Act, a seller may not other-
19 wise take a security interest in property of the buyer to secure the
20 debt arising from a consumer credit sale.

21 (b) With respect to a consumer lease other than a lease primarily
22 for an agricultural purpose, a lessor may not take a security interest
23 in property of the lessee to secure the debt arising from the lease.

24 (c) A security interest taken in violation of this section is
25 void.

26 (d) The amounts of \$1,000 and \$300 in (a) of this section are
27 subject to change under the provisions of sec. 30 of this Act.

28 Sec. 45.90.260. CROSS-COLLATERAL. (a) In addition to contract-
29 ing for a security interest under sec. 255 of this Act, a seller in a

1 consumer credit sale may secure the debt arising from the sale by con-
2 tracting for a security interest in other property if as a result of a
3 prior sale the seller has an existing security interest in the other
4 property. The seller may also contract for a security interest in the
5 property sold in the subsequent sale as security for the previous debt.

6 (b) If the seller contracts for a security interest in other
7 property under this section, the rate of credit service charge there-
8 after on the aggregate unpaid balances so secured may not exceed that
9 permitted if the balances so secured were consolidated under the pro-
10 visions of sec. 140(a) of this Act. The seller has a reasonable time
11 after so contracting to make any adjustments required by this section.
12 "Seller" in this section does not include an assignee not related to
13 the original seller.

14 Sec. 45.90.265. DEBT SECURED BY CROSS-COLLATERAL. (a) If debts
15 arising from two or more consumer credit sales, other than sales pri-
16 marily for an agricultural purpose or pursuant to a revolving charge
17 account, are secured by cross-collateral or consolidated into one
18 debt payable on a single schedule of payments, and the debt is secured
19 by security interests taken with respect to one or more of the sales,
20 payments received by the seller after the taking of the cross-collateral
21 or the consolidation are considered, for the purpose of determining the
22 amount of the debt secured by the various security interests, to have
23 been first applied to the payment of the debts arising from the sales
24 first made. To the extent debts are paid according to this section,
25 security interests in items of property terminate as the debts original-
26 ly incurred with respect to each item is paid.

27 (b) Payments received by the seller upon a revolving charge
28 account are considered, for the purpose of determining the amount of the
29 debt secured by the various security interests, to have been applied.

1 first to the payment of credit service charges in the order of their
2 entry to the account and then to the payment of debts in the order in
3 which the entries to the account showing the debts were made.

4 (c) If the debts consolidated arose from two or more sales made
5 on the same day, payments received by the seller are considered, for
6 the purpose of determining the amount of the debt secured by the various
7 security interests, to have been applied first to the payment of the
8 smallest debt.

9 Sec. 45.90.270. NO ASSIGNMENT OF EARNINGS. A seller or lessor
10 may not take an assignment of earnings of the buyer or lessee for pay-
11 ment or as security for payment of a debt arising out of a consumer
12 credit sale or a consumer lease. An assignment of earnings in violation
13 of this section is unenforceable by the assignee of the earnings and
14 revocable by the buyer or lessee. This section does not prohibit an
15 employee from authorizing deductions from his earnings if the authori-
16 zation is revocable.

17 Sec. 45.90.275. REFERRAL SALES. With respect to a consumer credit
18 sale or consumer lease the seller or lessor may not give or offer to give
19 a rebate or discount or otherwise pay or offer to pay value to the buyer
20 or lessee as an inducement for a sale or lease in consideration of his
21 giving to the seller or lessor the names of prospective purchasers or
22 lessees, or otherwise aiding the seller or lessor in making a sale or
23 lease to another person, if the earning of the rebate, discount or
24 other value is contingent upon the occurrence of an event subsequent to
25 the time the buyer or lessee agrees to buy or lease. If a buyer or
26 lessee is induced by a violation of this section to enter into a con-
27 sumer credit sale or consumer lease, the agreement is unenforceable by
28 the seller or lessor and the buyer or lessee, at his option, may rescind
29 the agreement or retain the goods delivered and the benefit of any

1 services performed, without any obligation to pay for them.

2 Sec. 45.90.280. NOTICE OF ASSIGNMENT. The buyer or lessee is
3 authorized to pay the original seller or lessor until the buyer or
4 lessee receives notification of assignment of the rights to payment
5 pursuant to a consumer credit sale or consumer lease and that payment
6 is to be made to the assignee. A notification which does not reasonably
7 identify the rights assigned is ineffective. If requested by the buyer
8 or lessee, the assignee must seasonably furnish reasonable proof that
9 the assignment has been made and unless he does so the buyer or lessee
10 may pay the seller or lessor.

11 Sec. 45.90.285. ATTORNEY'S FEES. With respect to a consumer
12 credit sale or consumer lease the agreement may provide for the payment
13 by the buyer or lessee of reasonable attorney's fees not in excess of
14 15 per cent of the unpaid debt after default and referral to an attorney
15 not a salaried employee of the seller, or of the lessor or his assignee
16 A provision in violation of this section is unenforceable.

17 Sec. 45.90.290. LIMITATION ON DEFAULT CHARGES. Except for reason-
18 able expenses incurred in realizing on a security interest, the agree-
19 ment with respect to a consumer credit sale may not provide for any
20 charges as a result of default by the buyer other than those authorized
21 by this Act. A provision in violation of this section is unenforceable

22 Sec. 45.90.295. AUTHORIZATION TO CONFESS JUDGMENT PROHIBITED. A
23 buyer or lessee may not authorize any person to confess judgment on a
24 claim arising out of a consumer credit sale or consumer lease. An
25 authorization in violation of this section is void.

26 Sec. 45.90.300. CHANGE IN TERMS OF REVOLVING CHARGE ACCOUNTS.
27 (a) If a seller makes a change in the terms of a revolving charge
28 account without complying with this section any additional cost or
29 charge to the buyer resulting from the change is an excess charge and

1 subject to the remedies available to debtors under sec. 775 of this
2 Act and to the administrator under sec. 865 of this Act.

3 (b) A seller may change the terms of a revolving charge account
4 whether or not the change is authorized by prior agreement. Except as
5 provided in (c) of this section, the seller shall give to the buyer
6 written notice of any change at least three times, with the first
7 notice at least six months before the effective date of the change.

8 (c) The notice specified in (b) of this section is not required
9 if

10 (1) the buyer, after receiving notice of the change agrees
11 in writing to the change;

12 (2) the buyer elects to pay an amount designated on a billing
13 statement under sec. 210(b) of this Act as including a new charge for
14 a benefit offered to the buyer when the benefit and charge constitute
15 the change in terms and when the billing statement also states the
16 amount payable if the new charge is excluded;

17 (3) the change involves no significant cost to the buyer;

18 (4) the buyer has previously consented in writing to the
19 kind of change made and notice of the change is given to the buyer in
20 two billing cycles prior to the effective date of the change; or

21 (5) the change applies only to purchases made or obligations
22 incurred after a date specified in a notice of the change given in two
23 billing cycles prior to the effective date of the change.

24 (d) The notice provided for in this section is given to the buyer
25 when mailed to him at the address used by the seller for sending periodic
26 billing statements.

27 Sec. 45.90.305. DEFINITION: "HOME SOLICITATION SALE". "Home
28 solicitation sale" means a consumer credit sale of goods, other than
29 farm equipment, or services in which the seller or a person acting for

1 him engages in a personal solicitation of the sale at a residence of
2 the buyer and the buyer's agreement or offer to purchase is there given
3 to the seller or a person acting for him. It does not include a sale
4 made pursuant to a preexisting revolving charge account, or a sale made
5 pursuant to prior negotiations between the parties at a business estab-
6 lishment at a fixed location where goods or services are offered or
7 exhibited for sale.

8 Sec. 45.90.310. BUYER'S RIGHT TO CANCEL. (a) Except as provided in
9 (e) of this section, in addition to any right otherwise to revoke an offer,
10 the buyer has the right to cancel a home solicitation sale until midnight
11 of the third business day after the day on which the buyer signs an agree-
12 ment or offer to purchase which complies with secs. 305 - 325 of this Act.

13 (b) Cancellation occurs when the buyer gives written notice of
14 cancellation to the seller at the address stated in the agreement or
15 offer to purchase.

16 (c) Notice of cancellation, if given by mail, is given when it
17 is deposited in a mailbox properly addressed and postage prepaid.

18 (d) Notice of cancellation given by the buyer need not take a
19 particular form and is sufficient if it indicates by any form of written
20 expression the intention of the buyer not to be bound by the home solici-
21 tation sale.

22 (e) The buyer may not cancel a home solicitation sale if the
23 buyer requests the seller to provide goods or services without delay
24 because of an emergency, and

25 (1) the seller in good faith makes a substantial beginning of
26 performance of the contract before the buyer gives notice of cancellation,
27 and

28 (2) in the case of goods, the goods cannot be returned to the
29 seller in substantially as good condition as when received by the buyer.

1 (f) If a home solicitation sale is also subject to the provisions on
2 debtors' right to rescind certain transaction under sec. 785 of this
3 Act, the buyer may proceed either under those provisions or under
4 secs. 305 - 325 of this Act.

5 Sec. 45.90.315. FORM OF AGREEMENT OR OFFER; STATEMENT OF BUYER'S
6 RIGHTS. (a) In a home solicitation sale, unless the buyer requests the
7 seller to provide goods or services without delay in an emergency, the
8 seller must present to the buyer and obtain his signature to a written
9 agreement or offer to purchase which designates as the date of the trans-
10 action the date on which the buyer actually signs and contains a state-
11 ment of the buyer's rights which complies with (b) of this section.

12 (b) The statement must

13 (1) appear under the conspicuous caption: "Buyer's Right
14 to Cancel", and

15 (2) read as follows: "If this agreement was solicited at your
16 residence and you do not want the goods or services, you may cancel this
17 agreement by mailing a notice to the seller. The notice must say that
18 you do not want the goods or services and must be mailed before midnight
19 on the third business day after you sign this agreement. The notice
20 must be mailed to: , (insert name and mailing address of seller). If you
21 cancel, the seller may keep all or part of your cash down payment."

22 (c) Until the seller has complied with this section the buyer may
23 cancel the home solicitation sale by notifying the seller in any manner
24 and by any means of his intention to cancel.

25 Sec. 45.90.320. RESTORATION OF DOWN PAYMENT; RETENTION OF CANCELLA-
26 TION FEE. (a) Except as provided in this section, within 10 days after
27 a home solicitation sale has been cancelled or an offer to purchase
28 revoked the seller must tender to the buyer any payments made by the
29 buyer and any note or other evidence of indebtedness.

1 (b) If the down payment includes goods traded in, the goods must
2 be tendered in substantially as good condition as when received by the
3 seller. If the seller fails to tender the goods as provided by this
4 section, the buyer may elect to recover an amount equal to the trade-
5 in allowance stated in the agreement.

6 (c) The seller may retain as a cancellation fee 5 per cent of the
7 cash price but not exceeding the amount of the cash down payment. If
8 the seller fails to comply with an obligation imposed by this section,
9 or if the buyer avoids the sale on any ground independent of this right
10 to cancel under sec. 310(a) of this Act or revokes his offer to purchase,
11 the seller is not entitled to retain a cancellation fee.

12 (d) Until the seller has complied with the obligations imposed by
13 this section the buyer may retain possession of goods delivered to him
14 by the seller and has a lien on the goods in his possession or control
15 for any recovery to which he is entitled.

16 Sec. 45.90.325. DUTY OF BUYER; NO COMPENSATION FOR SERVICES PRIOR
17 TO CANCELLATION. (a) Except as provided under Sec. 320(d) of this
18 Act, within a reasonable time after a home solicitation sale has been
19 cancelled or an offer to purchase revoked, the buyer upon demand must
20 tender to the seller any goods delivered by the seller pursuant to the
21 sale but he is not obligated to tender at any place other than his
22 residence. If the seller fails to demand possession of goods within
23 a reasonable time after cancellation or revocation, the goods become
24 the property of the buyer without obligation to pay for them. For the
25 purpose of this section, 40 days is presumed to be a reasonable time.

26 (b) The buyer has a duty to take reasonable care of the goods in
27 his possession both before cancellation or revocation and for a reason-
28 able time thereafter, during which time the goods are otherwise at the
29 seller's risk.

1 (c) If the seller has performed any services pursuant to a home
2 solicitation sale prior to its cancellation, the seller is entitled to
3 no compensation except the cancellation fee provided in secs. 305 -
4 325 of this Act.

5 Sec. 45.90.330. SALES SUBJECT TO ACT BY AGREEMENT OF PARTIES.
6 The parties to a sale other than a consumer credit sale may agree in
7 writing signed by the parties that the sale is subject to the provisions
8 of this Act applying to consumer credit sales. If the parties so agree
9 the sale is a consumer credit sale for the purposes of this Act.

10 Sec. 45.90.335. DEFINITION: "CONSUMER RELATED SALE"; RATE OF
11 CREDIT SERVICE CHARGE. (a) A "consumer related sale" is a sale of
12 goods, services, or an interest in land which is not subject to the
13 provisions of this Act applying to consumer credit sales and in which
14 the amount financed does not exceed \$25,000 if

15 (1) the buyer is a person other than an organization; or

16 (2) the debt is secured primarily by a security interest in
17 a one or two family dwelling occupied by a person related to the debtor

18 (b) With respect to a consumer related sale not made pursuant to
19 a revolving charge account, the parties may contract for the payment
20 by the buyer of an amount comprising the amount financed and a credit
21 service charge not in excess of 18 per cent per year calculated accord-
22 ing to the United States rule on the unpaid balances of the amount
23 financed.

24 (c) With respect to a consumer related sale made pursuant to a
25 revolving charge account, the parties may contract for the payment of
26 a credit service charge not in excess of that permitted by sec. 145
27 of this Act.

28 (d) The amount of \$25,000 in (a) of this section is subject to
29 change under sec. 30 of this Act.

1 Sec. 45.90.340. APPLICABILITY OF OTHER PROVISIONS TO CONSUMER
2 RELATED SALES. Except for the rate of the credit service charge and
3 the rights to prepay and to rebate upon prepayment, the provisions of
4 secs. 115 - 160 of this Act apply to a consumer related sale.

5 Sec. 45.90.345. LIMITATION ON DEFAULT CHARGES IN CONSUMER RELATED
6 SALES. (a) The agreement with respect to a consumer related sale may
7 provide for only the following charges as a result of the buyer's
8 default:

9 (1) reasonable attorney's fees and reasonable expenses
10 incurred in realizing on a security interest;

11 (2) deferral charges not in excess of 18 per cent per year
12 of the amount deferred for the period of deferral; and

13 (3) other charges that could have been made had the sale
14 been a consumer credit sale.

15 (b) A provision in violation of this section is unenforceable.

16 Sec. 45.90.350. CREDIT SERVICE CHARGE FOR OTHER SALES. With
17 respect to a sale other than a consumer credit sale or a consumer
18 related sale, the parties may contract for the payment by the buyer of
19 any credit service charge.

20 ARTICLE 3. LOANS.

21 Sec. 45.90.355. This Article shall be known and may be cited as
22 Uniform Consumer Credit Code - Loans.

23 Sec. 45.90.360. SCOPE. This Article applies to consumer loans,
24 including regulated and supervised loans; in addition secs. 615 - 635
25 of this Article apply to consumer related loans.

26 Sec. 45.90.365. DEFINITION: "CONSUMER LOAN". (a) Except as pro-
27 vided in (b) of this section, "consumer loan" is a loan made by a person
28 regularly engaged in the business of making loans in which

29 (1) the debtor is a person other than an organization;

1 (2) the debt is incurred primarily for a personal, family,
2 household, or agricultural purpose;

3 (3) either the debt is payable in instalments or a loan
4 finance charge is made; and

5 (4) either the principal does not exceed \$25,000 or the
6 debt is secured by an interest in land.

7 (b) Unless the loan is made subject to this Act by agreement
8 under sec. 615 of this Act, "consumer loan" does not include a loan
9 which is secured primarily by

10 (1) business collateral, if at the time the loan is made the
11 value of this collateral is substantial in relation to the amount of
12 the loan, or,

13 (2) except as provided with respect to disclosure under
14 sec. 445 of this Act and debtors' remedies under sec. 770 of this Act,
15 an interest in land, if at the time the loan is made the value of this
16 collateral is substantial in relation to the amount of the loan, and
17 the loan finance charge does not exceed 10 per cent per year calculated
18 according to the United States rule on the unpaid balances of the
19 principal on the assumption that the debt will be paid according to
20 the agreed terms and will not be paid before the end of the agreed term

21 (c) The amount of \$25,000 in (a) of this section is subject to
22 change under the provisions of sec. 30 of this Act.

23 Sec. 45.90.370. DEFINITION: "BUSINESS COLLATERAL". "Business
24 collateral" means an interest in land used primarily for other than a
25 personal, family, household, or agricultural purpose, or accounts or
26 contract rights other than earnings, business equipment, chattel paper,
27 documents of title, instruments, inventory, or business general intangi-
28 bles. Business equipment does not include farm equipment.

29 Sec. 45.90.375. DEFINITION: "LOAN". "Loan" includes

1 (1) the creation of debt by the lender's payment of or agree-
2 ment to pay money to the debtor or to a third party for the account of
3 the debtor;

4 (2) the creation of debt by a credit to an account with the
5 lender upon which the debtor is entitled to draw immediately;

6 (3) the creation of debt pursuant to a lender credit card
7 or similar arrangement; and

8 (4) the forbearance of debt arising from a loan.

9 Sec. 45.90.380. DEFINITIONS: "LENDER"; "PRECOMPUTED"; "PRINCIPAL"

10 (a) Except as otherwise provided, "lender" includes an assignee of
11 the lender's right to payment but use of the term does not in itself
12 impose on an assignee any obligation of the lender with respect to
13 events occurring before the assignment.

14 (b) A loan, refinancing, or consolidation is "precomputed" if the
15 debt is expressed as a sum comprising the principal and the amount of
16 the loan finance charge computed in advance.

17 (c) "Principal" of a loan means the total of

18 (1) the net amount paid to, receivable by, or paid or payable
19 for the account of the debtor,

20 (2) the amount of any discount excluded from the loan finance
21 charge under sec. 390(b) of this Act, and,

22 (3) to the extent that payment is deferred,

23 (A) amounts actually paid or to be paid by the lender
24 for registration, certificate of title, or license fees if not
25 included in (c)(1) of this section, and

26 (B) additional charges permitted under sec. 400 of this
27 Act.

28 Sec. 45.90.385. DEFINITION: "REVOLVING LOAN ACCOUNT". "Revolving
29 loan account" means an arrangement between a lender and a debtor

1 under which (1) the lender may permit the debtor to obtain loans from
2 time to time, (2) the unpaid balances of principal and the loan finance
3 and other appropriate charges are debited to an account, (3) a loan
4 finance charge if made is not precomputed but is computed on the out-
5 standing unpaid balances of the debtor's account from time to time, and
6 (4) the debtor has the privilege of paying the balances in instalments

7 Sec. 45.90.390. DEFINITION: "LOAN FINANCE CHARGE". (a) "Loan
8 finance charge" means the sum of (1) all charges payable directly or
9 indirectly by the debtor and imposed directly or indirectly by the
10 lender as an incident to the extension of credit, including any of the
11 following types of charges which are applicable: interest or any
12 amount payable under a point, discount, or other system of charges,
13 however denominated, premium or other charge for any guarantee or insur-
14 ance protecting the lender against the debtor's default or other credit
15 loss; and (2) charges incurred for investigating the collateral or
16 credit-worthiness of the debtor or for commissions or brokerage for
17 obtaining the credit, irrespective of the person to whom the charges
18 are paid or payable unless the lender had no notice of the charges when
19 the loan was made. The term does not include charges as a result of
20 default, additional charges under sec. 400 of this Act, delinquency
21 charges under sec. 405 of this Act, or deferral charges under sec. 410
22 of this Act.

23 (b) If a lender makes a loan to a debtor by purchasing or satis-
24 fying obligations of the debtor pursuant to a lender credit card or
25 similar arrangement, and the purchase or satisfaction is made at less
26 than the face amount of the obligation, the discount is not part of the
27 loan finance charge.

28 Sec. 45.90.395. LOAN FINANCE CHARGE FOR CONSUMER LOANS OTHER THAN
29 SUPERVISED LOANS. (a) With respect to a consumer loan other than a

1 supervised loan under sec. 545 of this Act, a lender may contract for
2 and receive a loan finance charge, calculated according to the United
3 States rule, not exceeding 18 per cent per year on the unpaid balances
4 of the principal.

5 (b) This section does not limit or restrict the manner of con-
6 tracting for the loan finance charge, whether by way of add-on, discount,
7 or otherwise, so long as the rate of the loan finance charge does not
8 exceed that permitted by this section. If the loan is precomputed,

9 (1) the loan finance charge may be calculated, on the assump-
10 tion that all scheduled payments will be made when due, and

11 (2) the effect of prepayment is governed by the provisions
12 of sec. 440 of this Act.

13 (c) For the purposes of this section, the term of a loan commences
14 with the date the loan is made. Differences in the lengths of months
15 are disregarded and a day may be counted as 1/30th of a month. Subject
16 to classifications and differentiations the lender may reasonably
17 establish, a part of a month in excess of 15 days may be treated as a
18 full month if periods of 15 days or less are disregarded and if that
19 procedure is not consistently used to obtain a greater yield than would
20 otherwise be permitted.

21 (d) With respect to a consumer loan made pursuant to a revolving
22 loan account

23 (1) the loan finance charge shall be considered not to
24 exceed 18 per cent per year if the loan finance charge contracted for
25 and received does not exceed a charge in each monthly billing cycle
26 which is 1 1/2 per cent of an amount no greater than

27 (A) the average daily balance of the debt,

28 (B) the unpaid balance of the debt on the same day of
29 the billing cycle, or

1 (C) the median amount within a specified range within
2 which the average daily balance or the unpaid balance of the debt,
3 on the same day of the billing cycle, is included; a charge may
4 be made under this subparagraph only if the lender, subject to
5 the classifications and differentiations he may reasonably estab-
6 lish, makes the same charge on all balances within a specified
7 range and if the percentage when applied to the median amount with-
8 in the range does not produce a charge exceeding the charge result-
9 ing from applying that percentage to the lowest amount within the
10 range by more than 8 per cent of the charge on the median amount;
11 for the purposes of this subparagraph and (d)(1)(B) of this
12 section, a variation of not more than 4 days from month to month
13 is "the same day of the billing cycle";

14 (2) if the billing cycle is not monthly, the loan finance
15 charge shall be considered not to exceed 18 per cent per year if the
16 loan finance charge contracted for and received does not exceed a per-
17 centage which bears the same relation to 1 1/2 per cent as the number
18 of days in the billing cycle bears to 30; and

19 (3) notwithstanding (a) of this section, if there is an
20 unpaid balance on the date as of which the loan finance charge is applied,
21 a charge not exceeding 50¢ may be made if the billing cycle is monthly
22 or longer, or the pro rata part of 50¢ which bears the same relation
23 to 50¢ as the number of days in the billing cycle bears to 30, if the
24 billing cycle is shorter than monthly, but no charge may be made under
25 this paragraph if the lender has made an annual charge for the same
26 period as permitted by sec. 400(a)(3) of this Act.

27 Sec. 45.90.400. ADDITIONAL CHARGES. (a) In addition to the loan
28 finance charge permitted by secs. 395 - 440 of this Act, a lender may
29 contract for and receive the following additional charges in connection

1 with a consumer loan:

2 (1) official fees and taxes;

3 (2) charges for insurance as described in (b) of this section;

4 (3) annual charges, payable in advance, for the privilege
5 of using a lender credit card or similar arrangement which entitles the
6 user to purchase goods or services from at least 100 persons not
7 related to the issuer of the lender credit card or similar arrangement,
8 under an arrangement pursuant to which the debts resulting from the
9 purchase are payable to the issuer; and

10 (4) charges for other benefits, including insurance, con-
11 ferred on the debtor, if the benefits are of value to him apart from the
12 granting of the credit, the charges are reasonable in relation to the
13 benefits, and the administrator has by rule determined that the charges
14 are permissible additional charges.

15 (b) An additional charge may be made for insurance written in
16 connection with the loan, other than insurance protecting the lender
17 against the debtor's default or other credit loss,

18 (1) with respect to insurance against loss of or damage to
19 property, or against liability, if the lender furnishes a clear and
20 specific statement in writing to the debtor, setting forth the cost of
21 the insurance if obtained from or through the lender, and stating that
22 the debtor may choose the person through which the insurance is to be
23 obtained; and,

24 (2) with respect to consumer credit insurance providing life
25 accident, or health coverage, if the insurance coverage is not a factor
26 in the approval by the lender of the extension of credit, and this fact
27 is clearly disclosed in writing to the debtor, and if in order to obtain
28 the insurance in connection with the extension of credit, the debtor
29 gives specific affirmative written indication of his desire to do so

1 after written disclosure to him of the cost thereof.

2 (c) For the purposes of secs. 445 - 500 if the loan finance
3 charge with respect to a loan primarily secured by an interest in land
4 does not exceed 10 per cent per year under sec. 365(b)(2) of this Act,
5 reasonable closing costs even though not within (a) of this section may
6 be treated as additional charges.

7 Sec. 45.90.405. DELINQUENCY CHARGES. (a) With respect to a pre-
8 computed consumer loan, refinancing, or consolidation, the parties may
9 contract for a delinquency charge on any instalment not paid in full
10 within 10 days after its scheduled due date in an amount not exceeding
11 the greater of

12 (1) an amount, not exceeding \$5, which is 5 per cent of the
13 unpaid amount of the instalment, or

14 (2) the deferral charge under sec. 410(a) of this Act that
15 would be permitted to defer the unpaid amount of the instalment for the
16 period that it is delinquent.

17 (b) A delinquency charge under (a)(1) of this section may be
18 collected only once on an instalment however long it remains in default.
19 No delinquency charge may be collected if the instalment has been
20 deferred and a deferral charge under sec. 410 of this Act has been paid
21 or incurred. A delinquency charge may be collected at the time it
22 accrues or at any time thereafter.

23 (c) No delinquency charge may be collected on an instalment which
24 is paid in full within 10 days after its scheduled instalment due date
25 even though an earlier maturing instalment or a delinquency charge on
26 an earlier instalment may not have been paid in full. For purposes of
27 this subsection payments are applied first to current instalments and
28 then to delinquent instalments.

29 (d) If two instalments or parts thereof of a precomputed loan are

1 in default for 10 days or more, the lender may elect to convert the loan
2 from a precomputed loan to one in which the loan finance charge is
3 based on unpaid balances. In this event he shall make a rebate under
4 the provisions of sec. 440 of this Act as of the maturity date of the first
5 delinquent instalment, and thereafter may make a loan finance charge as
6 authorized by the provisions of sec. 395 of this Act or sec. 580 of this
7 Act, whichever is appropriate. The amount of the rebate shall not be re-
8 duced by the amount of any permitted minimum charge under sec. 440 of this
9 Act. If the lender proceeds under this subsection, any delinquency or
10 deferral charges made with respect to instalments due at or after the
11 maturity date of the first delinquent instalments shall be rebated, and
12 no further delinquency or deferral charges shall be made.

13 (e) The amount of \$5 in (a) of this section is subject to change
14 under sec. 30 of this Act.

15 Sec. 45.90.410. DEFERRAL CHARGES. (a) With respect to a precomputed
16 consumer loan, refinancing or consolidation, the parties before or after
17 default may agree in writing to a deferral of all or part of one or more
18 unpaid instalments, and the lender may make and collect a charge not ex-
19 ceeding the rate previously stated to the debtor under the provisions of
20 secs. 445 - 500 of this Act applied to the amount or amounts deferred for
21 the period of deferral calculated without regard to difference in the
22 lengths of months, but proportionally for a part of a month counting each
23 day as 1/30 of a month. A deferral charge may be collected at the time it
24 is assessed or at any time thereafter.

25 (b) The lender may, in addition to the deferral charge, make appro-
26 priate additional charges under sec. 400 of this Act, and the amount of
27 these charges which is not paid in cash may be added to the amount deferred
28 for the purpose of calculating the deferral charge.

29 (c) The parties may agree in writing at the time of a precomputed

1 consumer loan, refinancing, or consolidation that if an instalment is not
2 paid within 10 days after its due date, the lender may unilaterally grant
3 a deferral and make charges as provided in this section. No deferral
4 charge may be made for a period after the date that the lender elects
5 to accelerate the maturity of the agreement.

6 (d) A delinquency charge made by the lender on an instalment may
7 not be retained if a deferral charge is made under this section with
8 respect to the period of delinquency.

9 Sec. 45.90.415. LOAN FINANCE CHARGE ON REFINANCING. With respect
10 to a consumer loan, refinancing, or consolidation, the lender may by
11 agreement with the debtor refinance the unpaid balance and may contract
12 for and receive a loan finance charge based on the principal resulting
13 from the refinancing at a rate not exceeding that permitted by sec. 395 or
14 sec. 580 of this Act, whichever is appropriate. For the purpose of deter-
15 mining the loan finance charge permitted, the principal resulting from
16 the refinancing comprises the following:

17 (1) if the transaction was not precomputed, the total of the unpaid
18 balance and the accrued charges on the date of the refinancing, or, if the
19 transaction was precomputed, the amount which the debtor would have been re-
20 quired to pay upon prepayment under sec. 440 of this Act on the date of
21 refinancing except that for the purpose of computing this amount no mini-
22 mum charge under sec. 440 of this Act shall be allowed; and

23 (2) appropriate additional charges under sec. 400 of this Act,
24 payment of which is deferred.

25 Sec. 45.90.420. LOAN FINANCE CHARGE ON CONSOLIDATION. (a) If a
26 debtor owes an unpaid balance to a lender with respect to a consumer
27 loan, refinancing, or consolidation, and becomes obligated on another
28 consumer loan, refinancing, or consolidation with the same lender, the
29 parties may agree to a consolidation resulting in a single schedule of

1 payments. If the previous consumer loan, refinancing, or consolidation
2 was not precomputed, the parties may agree to add the unpaid amount of
3 principal and accrued charges on the date of consolidation to the
4 principal with respect to the subsequent loan. If the previous consumer
5 loan, refinancing, or consolidation was precomputed, the parties may
6 agree to refinance the unpaid balance under the provisions of sec. 415
7 of this Act and to consolidate the principal resulting from the refi-
8 nancing by adding it to the principal with respect to the subsequent
9 loan. In either case the lender may contract for and receive a loan
10 finance charge based on the aggregate principal resulting from the
11 consolidation at a rate not in excess of that permitted by the pro-
12 visions of sec. 395 of this Act or sec. 580 of this Act, whichever is
13 appropriate.

14 (b) The parties may agree to consolidate the unpaid balance of a
15 consumer loan with the unpaid balance of a consumer credit sale. The
16 parties may agree to refinance the previous unpaid balance under sec.
17 135 of this Act or sec. 415 of this Act, whichever is appropriate, and
18 to consolidate the amount financed resulting from the refinancing or
19 the principal resulting from the refinancing by adding it to the
20 amount financed or principal with respect to the subsequent sale or
21 loan. The aggregate amount resulting from the consolidation shall be
22 considered principal, and the creditor may contract for and receive a
23 loan finance charge based on the principal at a rate not in excess of
24 that permitted by sec. 395 of this Act or sec. 580 of this Act, which-
25 ever is appropriate.

26 Sec. 45.90.425. CONVERSION TO REVOLVING LOAN ACCOUNT. The parties
27 may agree to add to a revolving loan account the unpaid balance of a
28 consumer loan, not made pursuant to a revolving loan account, or a
29 refinancing, or consolidation thereof, or the unpaid balance of a

1 consumer credit sale, refinancing or consolidation. For the purpose of
2 this section

3 (1) the unpaid balance of a consumer loan, refinancing, or
4 consolidation is an amount equal to the principal determined according
5 to sec. 415 of this Act; and

6 (2) the unpaid balance of a consumer credit sale, refinancing,
7 or consolidation is an amount equal to the amount financed determined
8 according to sec. 135 of this Act.

9 Sec. 45.90.430. ADVANCES TO PERFORM COVENANTS OF DEBTOR. (a) If
10 the agreement with respect to a consumer loan, refinancing, or consoli-
11 dation contains covenants by the debtor to perform certain duties
12 pertaining to insuring or preserving collateral and if the lender under
13 the agreement pays for performance of the duties on behalf of the
14 debtor he may add the amounts paid to the debt. Within a reasonable
15 time after advancing any sums, he shall state to the debtor in writing
16 the amount of the sums advanced, any charges with respect to this
17 amount, and any revised payment schedule, and, if the duties of the
18 debtor performed by the lender pertain to insurance, a brief description
19 of the insurance paid for by the lender including the type and amount
20 of coverages. No further information need be given.

21 (b) A loan finance charge may be made for sums advanced under
22 (a) of this section at a rate not exceeding the rate stated to the debtor
23 under secs. 445 - 500 of this Act with respect to the loan, refinancing,
24 or consolidation, except that with respect to a revolving loan account
25 the amount of the advance may be added to the unpaid balance of the
26 debt and the lender may make a loan finance charge not exceeding that
27 permitted by sec. 395 or sec. 580 of this Act, whichever is appropriate.

28 Sec. 45.90.435. RIGHT TO PREPAY. Subject to the provisions on
29 rebate upon prepayment under sec. 440 of this Act, the debtor may prepay

1 in full the unpaid balance of a consumer loan, refinancing, or consoli-
2 dation at any time without penalty.

3 Sec. 45.90.440. REBATE UPON PREPAYMENT. (a) Except as provided
4 in (b) of this section, upon prepayment in full of the unpaid balance
5 of a precomputed consumer loan, refinancing, or consolidation, an
6 amount not less than the unearned portion of the loan finance charge
7 calculated according to this section shall be rebated to the debtor.
8 If the rebate otherwise required is less than \$1, no rebate need be
9 made.

10 (b) Upon prepayment in full of a consumer loan, other than one
11 pursuant to a revolving loan account, a refinancing or consolidation,
12 whether or not precomputed, the lender may collect or retain a minimum
13 charge within the limits stated in this subsection if the loan finance
14 charge earned at the time of prepayment is less than any minimum charge
15 contracted for. The minimum charge may not exceed the amount of loan
16 finance charge contracted for, or \$5 in a transaction which had a prin-
17 cipal of \$75 or less, or \$7.50 in a transaction which had a principal
18 of more than \$75.

19 (c) Except as otherwise provided in this subsection with respect
20 to a loan primarily secured by an interest in land, the unearned portion
21 of the loan finance charge is a fraction of the loan finance charge of
22 which the numerator is the sum of the periodic balances scheduled to
23 follow the computational period in which prepayment occurs, and the
24 denominator is the sum of all periodic balances under either the loan
25 agreement or, if the balance owing resulted from a refinancing under
26 sec. 415 of this Act or a consolidation under sec. 420 of this Act,
27 under the refinancing agreement or consolidation agreement. In the case
28 of a loan primarily secured by an interest in land, reasonable sums
29 actually paid or payable to persons not related to the lender for

1 customary closing costs included in the loan finance charge are deducted
2 from the loan finance charge before the calculation prescribed by this
3 subsection is made.

4 (d) In this section

5 (1) "periodic balance" means the amount scheduled to be out-
6 standing on the last day of a computational period before deducting the
7 payment, if any, scheduled to be made on that day;

8 (2) "computational period" means one month if one-half or
9 more of the intervals between scheduled payments under the agreement is
10 one month or more, and otherwise means one week;

11 (3) the "interval" to the due date of the first scheduled
12 instalment or the final scheduled payment date is measured from the
13 date of a loan, refinancing, or consolidation, and includes either the
14 first or last day of the interval;

15 (4) if the interval to the due date of the first scheduled
16 instalment does not exceed one month by more than 15 days when the
17 computational period is one month, or 11 days when the computational
18 period is one week, the interval shall be considered as one computational
19 period.

20 (e) This subsection applies only if the schedule of payments is
21 not regular under sec. 460(f) of this Act.

22 (1) If the computational period is one month and

23 (A), if the number of days in the interval to the due
24 date of the first scheduled instalment is less than one month by
25 more than 5 days, or more than one month by more than 5 but not
26 more than 15 days, the unearned loan finance charge shall be
27 increased by an adjustment for each day by which the interval is
28 less than one month and, at the option of the lender, may be
29 reduced by an adjustment for each day by which the interval is

1 more than one month; the adjustment for each day shall be 1/30th
2 of that part of the loan finance charge earned in the computational
3 period prior to the due date of the first scheduled instalment
4 assuming that period to be one month; and

5 (B) if the interval to the final scheduled payment date
6 is a number of computational periods plus an additional number of
7 days less than a full month, the additional number of days shall
8 be considered a computational period only if 16 days or more.
9 This subparagraph applies whether or not (e)(1)(A) of this section
10 applies.

11 (2) Notwithstanding (e)(1) of this section, if the computa-
12 tional period is one month, the number of days in the interval to the
13 due date of the first instalment exceeds one month by not more than 15
14 days, and the schedule of payments is otherwise regular, the lender
15 may, at his option, exclude the extra days and the charge for the extra
16 days in computing the unearned loan finance charge; but if he does so
17 and a rebate is required before the due date of the first scheduled
18 instalment, he shall compute the earned charge for each elapsed day as
19 1/30th of the amount the earned charge would have been if the first
20 interval had been one month.

21 (3) If the computational period is one week and

22 (A) if the number of days in the interval to the due
23 date of the first scheduled instalment is less than 5 days, or
24 more than 9 days but not more than 11 days, the unearned loan
25 finance charge shall be increased by an adjustment for each day by
26 which the interval is less than 7 days and, at the option of the
27 lender, may be reduced by an adjustment for each day by which the
28 interval is more than 7 days; the adjustment for each day shall
29 be 1/7th of that part of the loan finance charge earned in the

1 computational period prior to the due date of the first scheduled
2 instalment assuming that period to be one week, and

3 (B) if the interval to the final scheduled payment date
4 is a number of computational periods plus an additional number of
5 days less than a full week, the additional number of days shall
6 be considered a computational period only if 4 days or more. This
7 subparagraph applies whether or not (e)(3)(A) of this section
8 applies.

9 (f) If a deferral under sec. 410 of this Act has been agreed to,
10 the unearned portion of the loan finance charge shall be computed with-
11 out regard to the deferral. The amount of deferral charge earned at
12 the date of prepayment shall also be calculated. If the deferral charge
13 earned is less than the deferral charge paid, the difference shall be
14 added to the unearned portion of the loan finance charge. If any part
15 of a deferral charge has been earned but has not been paid, that part
16 shall be subtracted from the unearned portion of the loan finance
17 charge, or shall be added to the unpaid balance.

18 (g) This section does not preclude the collection or retention by
19 the lender of delinquency charges under sec. 405 of this Act.

20 (h) If the maturity is accelerated for any reason and judgment is
21 obtained, the debtor is entitled to the same rebate as if the payment
22 had been made on the date judgment is entered.

23 (i) Upon prepayment in full of a consumer loan by the proceeds
24 of consumer credit insurance under sec. 645 of this Act, the debtor
25 or his estate is entitled to the same rebate as though the debtor had
26 prepaid the agreement on the date the proceeds of the insurance are
27 paid to the lender, but no later than 10 business days after satisfactory
28 proof of loss is furnished to the lender.

29 Sec. 45.90.445. APPLICABILITY; INFORMATION REQUIRED. (a) For

1 purposes of secs. 445 - 500 of this Act, consumer loan includes a loan
2 secured primarily by an interest in land without regard to the rate of
3 the loan finance charge if the loan is otherwise a consumer loan under
4 sec. 365 of this Act.

5 (b) The lender shall disclose to the debtor to whom credit is
6 extended with respect to a consumer loan the information required by
7 either

8 (1) secs. 445 - 500 of this Act, or

9 (2) except with respect to a loan secured primarily by an
10 interest in land, the Federal Consumer Credit Protection Act.

11 (c) For the purposes of (b)(2), information which would otherwise
12 be required under the Federal Consumer Credit Protection Act is suffi-
13 cient even though the transaction is one of a class of credit trans-
14 actions exempted from that Act under a determination by the Board of
15 Governors of the Federal Reserve System that the class of transactions
16 is subject under the law of this state to requirements substantially
17 similar to those imposed under that Act.

18 Sec. 45.90.450. GENERAL DISCLOSURE REQUIREMENTS AND PROVISIONS.

19 (a) The disclosures required by secs. 445 - 500 of this Act

20 (1) shall be made clearly and conspicuously;

21 (2) shall be in writing, a copy of which shall be delivered
22 to the debtor, but need not be contained in a single writing nor made
23 in the order set forth in secs. 445 - 500 of this Act;

24 (3) may use terminology different from that employed in
25 secs. 445 - 500 of this Act if it conveys substantially the same
26 meaning;

27 (4) may be supplemented by additional information or explana-
28 tions supplied by the lender;

29 (5) need be made only to the extent applicable and only as

1 to those items for which the lender makes a separate charge to the
2 debtor;

3 (6) shall be made on the assumption that all scheduled instal-
4 ments are paid when due; and

5 (7) comply with secs. 445 - 500 of this Act although
6 rendered inaccurate by any act, occurrence, or agreement subsequent to
7 the required disclosure.

8 (b) Except with respect to loans made by telephone or mail under
9 sec. 465 of this Act, loans made pursuant to a binding commitment under
10 sec. 470(c) of this Act, and loans made pursuant to a lender credit card
11 under sec. 490 of this Act.

12 (1) the disclosures required by secs. 445 - 500 of this Act
13 shall be made before credit is extended, but may be made in the loan,
14 refinancing, or consolidation agreement, or other evidence of indebted-
15 ness to be signed by the debtor if set forth conspicuously therein, and
16 need be made only to one debtor if there are more than one, and

17 (2) if an evidence of indebtedness is signed by the debtor,
18 the lender shall give him a copy when the writing is signed.

19 (c) Except as provided with respect to rescission by a debtor
20 under sec. 785 of this Act and civil liability for violations of dis-
21 closures provisions under sec. 780(d) of this Act, written acknowledg-
22 ment of receipt by a debtor to whom a statement is required to be given
23 under secs. 445 - 500 of this Act.

24 (1) in an action or proceeding by or against the original
25 lender, creates a presumption that the statement was given, and

26 (2) in an action or proceeding by or against an assignee with-
27 out knowledge to the contrary when he acquires the obligation, is con-
28 clusive proof of the delivery of the statement and, unless the violation
29 is apparent on the face of the statement, of compliance with secs.

1 445 - 500 of this Act.

2 Sec. 45.90.455. OVERSTATEMENT. The disclosure of an amount or
3 percentage which is greater than the amount or percentage required to be
4 disclosed under secs. 445 - 500 of this Act does not in itself consti-
5 tute a violation of these sections if the overstatement is not materially
6 misleading and is not used to avoid meaningful disclosure.

7 Sec. 45.90.460. CALCULATION OF RATE TO BE DISCLOSED. (a) Except
8 as otherwise specifically provided, if a lender is required to give to
9 a debtor a statement of the rate of the loan finance charge he shall
10 state the rate in terms of an annual percentage rate as defined in
11 (b) of this section or in terms of a corresponding nominal annual per-
12 centage rate as defined in (c) of this section, whichever is appropriate.

13 (b) "Annual percentage rate"

14 (1) with respect to a consumer loan other than one made
15 pursuant to a revolving loan account, is either

16 (A) that nominal annual percentage rate which, when
17 applied to the unpaid balances of the principal calculated according to
18 the United States rule, will yield a sum equal to the amount of the
19 loan finance charge, or

20 (B) that rate determined by any method prescribed by
21 the administrator as a method which materially simplifies computation
22 while retaining reasonable accuracy as compared with the rate determined
23 under (b)(1)(A) of this section;

24 (2) with respect to a consumer loan made pursuant to a
25 revolving loan account, is the quotient expressed as a percentage of
26 the total loan finance charge for the period to which it relates divided
27 by the amount upon which the loan finance charge for that period is
28 based, multiplied by the number of these periods in a year; if the
29 period is one day, the number of periods in a year is considered to be

1 360.

2 (c) "Corresponding nominal annual percentage rate" is the percent-
3 age or percentages used to calculate the loan finance charge for one
4 billing cycle or other period pursuant to a revolving loan account
5 multiplied by the number of billing cycles or periods in a year; if the
6 period is one day, the number of periods in a year is considered to be
7 360.

8 (d) If a lender is permitted to make the same loan finance charge
9 for all principal amounts within a specified range under sec. 395(d) of
10 this Act or for all balances within a specified range under sec. 580(e)
11 of this Act, he shall state the annual percentage rate or corresponding
12 nominal annual percentage rate, whichever is appropriate, as applied to
13 the median amount of the range within which the actual principal amount
14 or balance is included.

15 (e) If a debt is payable on a schedule of instalment payments
16 which is regular except for one or more of the following irregularities

17 (1) the amount of one instalment payment is not substantially
18 equal to the amount of each of the other instalment payments;

19 (2) the interval between the date the credit is granted and
20 the first instalment payment is not equal to the interval between
21 instalment payments; or

22 (3) in one or more payment periods no instalment payment is
23 due, not exceeding one-fourth of the payment periods in any year if the
24 length of the term of the agreement is a year or more, or one-fourth
25 of the payment periods if the length of the term of the agreement is
26 less than a year,

27 the lender may, at his option, calculate the rate to be disclosed as if
28 the debt were payable under an agreement having the same principal, the
29 same length of term to the nearest scheduled payment period, and a

1 regular schedule of payments having the same interval between payments
2 as the interval between the majority of instalments as scheduled in the
3 loan agreement.

4 (f) A schedule of payments is regular if (1) the instalment pay-
5 ments are substantially equal in amount, (2) the interval between
6 instalment payments is one month, or the intervals between instalment
7 payments are equal and less than one month, and (3) the interval between
8 the date the credit is granted and the first instalment payment is equal
9 to the interval between instalment payments.

10 (g) A statement of rate complies with secs. 445 - 500 of this
11 Act if it does not vary from the accurately computed rate by more than
12 the following tolerances:

13 (1) the annual percentage rate may be rounded to the nearest
14 quarter of 1 per cent for consumer loans payable in substantially equal
15 instalments when a lender determines the total loan finance charge on
16 the basis of a single add-on, discount, periodic, or other rate, and the
17 rate is converted into an annual percentage rate under procedures pre-
18 scribed by the administrator;

19 (2) the administrator may authorize the use of rate tables or
20 charts which may provide for the disclosure of annual percentage rates
21 which vary from the rate determined in accordance with (g)(1) of this
22 section by not more than the tolerances the administrator may allow;
23 the administrator may not allow a tolerance greater than 8 per cent of
24 that rate except to simplify compliance where irregular payments are
25 involved; and

26 (3) in case a lender determines the annual percentage rate in
27 a manner other than as described in (g)(1) or (2) of this section, the
28 administrator may authorize other reasonable tolerances.

29 Sec. 45.90.465. LOANS MADE BY TELEPHONE OR MAIL. With respect to

1 a consumer loan, other than a loan made pursuant to a revolving loan
2 account, if the lender receives a request for an extension of credit by
3 mail or telephone without personal solicitation, the lender complies
4 with secs. 445 - 500 of this Act if the lender's printed material dis-
5 tributed to the public or the loan agreement or other printed material
6 delivered to the debtor sets forth the terms of financing, including
7 the annual percentage rate for representative amounts of credit, and if
8 he gives the information required by secs. 445 - 500 of this Act on or
9 before the date the first payment is due on the loan.

10 Sec. 45.90.470. CONSUMER LOANS NOT PURSUANT TO REVOLVING LOAN
11 ACCOUNT. (a) This section applies to a consumer loan not made pursuant
12 to a revolving loan account under sec. 485 of this Act.

13 (b) The lender shall give to the debtor the following information:

14 (1) net amount paid to, receivable by, or paid or payable for
15 the account of the debtor or in the case of a loan resulting from a
16 refinancing, the amount prescribed by the provisions of sec. 415(a) of
17 this Act; if any amount is paid or payable to a third person, a brief
18 itemization, which may be contained in a separate writing or writings,
19 shall also be given;

20 (2) amount paid or payable for registration, certificate of
21 title or license fees, if not included in (b)(1) of this section, and
22 a description or identification of the fees;

23 (3) amount of official fees and taxes and a description or
24 identification of them;

25 (4) brief description of insurance to be provided or paid for
26 by the lender including the type and the amount of the coverages, and if
27 a separate charge is made, the amount of the charge;

28 (5) amount of other additional charges under sec. 400 of this
29 Act, and a brief description or identification of them;

1 (6) amount of principal (sum of amounts stated in (b)(1),
2 (2), (3), (4), and (5);

3 (7) except in the case of a loan secured by a first lien on
4 a dwelling, made to finance the purchase of that dwelling, and in which
5 the loan finance charge does not exceed 10 per cent per year as pro-
6 vided under sec. 365 of this Act, the amount of the loan finance charge
7 and the amount of the unpaid balance (principal plus loan finance
8 charge);

9 (8) rate of the loan finance charge as applied to the prin-
10 cipal in accordance with the provisions on calculation of rate under
11 sec. 460 of this Act, except in the case of a loan finance charge which
12 does not exceed \$5 when the principal does not exceed \$75 or \$7.50 when
13 the principal exceeds \$75;

14 (9) number of payments, amount of each payment, due date of
15 first payment, and the due date of subsequent payments or interval
16 between payments;

17 (10) default, delinquency, or similar charges payable in the
18 event of late payments; and

19 (11) description of any security interest held or to be re-
20 tained or acquired by the lender in connection with the extension of
21 credit, and a clear identification of the property to which the security
22 interest relates.

23 (c) If a lender makes a binding commitment to make a consumer loan
24 by allowing the debtor to draw on the lender and at the time the commit-
25 ment is made the amount of the loan has not been determined, the lender
26 shall then give to the debtor a statement of the terms under which the
27 loan will be made, including the rate of the loan finance charge calcu-
28 lated in accordance with the provisions of sec. 460 of this Act. If
29 the rate of the loan finance charge varies according to the amount of

1 the loan, the lender shall state the minimum and maximum annual percent-
2 age rates which would be applicable to the amounts which could be drawn
3 under the commitment. If additional charges under sec. 400 of this Act
4 may be made, the lender shall also state the conditions under which the
5 charges may be made, the amount or method of computing the charges, and
6 a brief description or identification of the charges. Within a reason-
7 able time after the loan is made, and in any event on or before the due
8 date of the first instalment, the lender shall give the information
9 required by this section.

10 Sec. 45.90.475. CONSOLIDATION. If the parties to a consumer loan
11 or consumer credit sale agree to a consolidation under sec. 420 of this
12 Act, the creditor shall give to the debtor the information required with
13 respect to consumer loans not pursuant to a revolving loan account under
14 sec. 470 of this Act. To comply with those provisions in (b)(1) of that
15 section, the amount with respect to the previous loan or sale to be
16 consolidated shall be separately stated and shall be added to the net
17 amount paid to, receivable by, or paid or payable for the account of the
18 debtor in connection with the subsequent loan or sale.

19 Sec. 45.90.480. DEFERRAL. If the lender makes a deferral under
20 sec. 410 of this act, he shall state to the debtor, at the time of or
21 promptly after the deferral:

22 (1) amount deferred;

23 (2) any, appropriate additional charges under sec. 400 of this
24 Act;

25 (3) aggregate amount deferred, which is the sum of the
26 amount in (1) of this section and any unpaid amount included in (2) of
27 this section;

28 (4) time to which payment is deferred; and

29 (5) amount and annual percentage rate of the deferral charge

1 and when it is payable.

2 Sec. 45.90.485. REVOLVING LOAN ACCOUNTS. (a) Before making a
3 consumer loan pursuant to a revolving loan account, the lender shall
4 give to the debtor the following information:

5 (1) conditions under which a loan finance charge may be made,
6 including the time period, if any, within which any credit extended may
7 be repaid without incurring a loan finance charge;

8 (2) method of determining the balance upon which a loan
9 finance charge will be computed;

10 (3) method of determining the amount of the loan finance
11 charge, including the periodic percentage or percentages used to calcu-
12 late the loan finance charge and the amount of any minimum loan finance
13 charge;

14 (4) corresponding nominal annual percentage rate under sec.
15 460(c) of this Act; if more than one corresponding nominal annual per-
16 centage rate may be used, the amount of a balance to which each corre-
17 sponding nominal annual percentage rate applies shall also be stated;

18 (5) if the lender elects he may also state either

19 (A) the average effective annual percentage rate of
20 return received from revolving loan accounts for a representative
21 period of time; or

22 (B) if circumstances are such that the computation of
23 a rate under (a)(5)(A) of this section would not be feasible or
24 practical, or would be misleading or meaningless, a projected rate
25 of return to be received from revolving loan accounts; the
26 administrator shall prescribe rules, consistent with commonly
27 accepted standards for accounting or statistical procedures, to
28 carry out the purposes of this paragraph;

29 (6) conditions under which additional charges may be made and

1 the method by which they will be determined; and

2 (7) conditions under which the lender may retain or acquire
3 a security interest in property to secure the balances resulting from
4 loans made pursuant to the revolving loan account, and a description of
5 the interest or interests which may be retained or acquired.

6 (b) If there is an outstanding balance owing at the end of the
7 billing cycle or if a loan finance charge is made with respect to the
8 billing cycle, the lender shall give to the debtor the following infor-
9 mation within a reasonable time after the end of the billing cycle:

10 (1) outstanding balance at the beginning of the billing cycle;

11 (2) brief description or identification of loans made during
12 the billing cycle in a statement or in accompanying cancelled checks,
13 memoranda or the like;

14 (3) amount credited to the account during the billing cycle;

15 (4) amount of loan finance charge and additional charges
16 debited during the billing cycle, with an itemization or explanation to
17 show the total amount of loan finance charge, if any, due to the appli-
18 cation of one or more periodic percentages and the amount, if any, im-
19 posed as a minimum charge;

20 (5) the periodic percentage used to calculate the loan finance
21 charge; if more than one periodic percentage is used, each percentage
22 and the amount of the balance to which each applies;

23 (6) the balance on which the loan finance charge is computed
24 and a statement of how the balance is determined; if the balance is
25 determined without first deducting all amounts credited during the
26 period, that fact and the amounts credited shall also be stated;

27 (7) if the loan finance charge for the billing cycle exceeds
28 50¢ for a monthly or longer billing cycle, or the pro rata part of 50¢
29 for a billing cycle shorter than monthly, the loan finance charge

1 expressed as an annual percentage rate under sec. 460(b)(2) of this
2 Act; if more than one periodic percentage is used to calculate the loan
3 finance charge, the lender may, in lieu of stating a single annual
4 percentage rate, state more than one annual percentage rate and the
5 amount of the balance to which each annual percentage rate applies;

6 (8) if the loan finance charge for the billing cycle does
7 not exceed 50¢ for a monthly or longer billing cycle, or the pro rata
8 part of 50¢ for a billing cycle shorter than monthly, the corresponding
9 nominal annual percentage rate under sec. 460(c) of this Act;

10 (9) if the lender elects, the average effective annual per-
11 centage rate of return or the projected rate as prescribed in (a)(5) of
12 this section;

13 (10) outstanding balance at the end of the billing cycle;
14 and

15 (11) date by which or period within which payment must be
16 made to avoid additional loan finance charges.

17 Sec. 45.90.490. LOAN PURSUANT TO LENDER CREDIT CARD OR SIMILAR
18 ARRANGEMENT. Before a consumer loan, other than one made pursuant to a
19 revolving loan account, is first made pursuant to a lender credit card
20 or similar arrangement, the lender shall give to the debtor a statement
21 of the annual percentage rate or rates at which loans will be made to
22 the debtor and a brief description or identification of the additional
23 charges that may be made. The lender shall give to the debtor the in-
24 formation required by secs. 445 - 500 of this Act with respect to con-
25 sumer loans other than revolving loan accounts under sec. 470 of this
26 Act within a reasonable time after a loan is made and in any event before
27 the due date of the first instalment.

28 Sec. 45.90.495. CONTENT OF PERIODIC STATEMENTS. The administrator
29 may by rule require a creditor who transmits periodic statements in

1 connection with any consumer loan not made pursuant to a revolving loan
2 account to set forth in each statement each of the following items:

3 (1) the annual percentage rate of the loan finance charge
4 with respect to each consumer loan to which the statement relates;

5 (2) the date by which or the period, if any, within which
6 payment must be made in order to avoid further loan finance charges or
7 other charges; and

8 (3) the other items set forth in the provisions of sec.
9 485(b) of this Act appropriate to the terms and conditions under which
10 the consumer loan is made.

11 Sec. 45.90.500. ADVERTISING. (a) No lender shall engage in this
12 state in false or misleading advertising concerning the terms or condi-
13 tions of credit with respect to a consumer loan.

14 (b) Without limiting the generality of (a) of this section, and
15 without requiring a statement of rate of loan finance charge if the
16 loan finance charge is not more than \$5 when the principal does not
17 exceed \$75 or more than \$7.50 when the principal exceeds \$75, and
18 advertisement with respect to a consumer credit loan made by the posting
19 of a public sign, or by catalog, magazine, newspaper, radio, television,
20 or similar mass media, is misleading if

21 (1) it states the rate of the loan finance charge and the
22 rate is not stated in the form required by sec. 460 of this Act or

23 (2) it states the dollar amounts of the loan finance charge
24 or instalment payments, and does not also state the rate of any loan
25 finance charge and the number and amount of the instalment payments.

26 (c) In this section a catalog or other multiple-page advertisement
27 is considered a single advertisement if it clearly and conspicuously
28 displays a credit terms table setting forth the information required by
29 this section.

1 (d) This section imposes no liability on the owner or personnel,
2 as such, of any medium in which an advertisement appears or through
3 which it is disseminated.

4 (e) Advertising which complies with the Federal Consumer Credit
5 Protection Act does not violate (b) of this section.

6 Sec. 45.90.505. SCOPE. Secs. 505 - 540 of this Act apply to
7 consumer loans.

8 Sec. 45.90.510. BALLOON PAYMENTS. With respect to a consumer
9 loan, other than one primarily for an agricultural purpose or one pursu-
10 ant to a revolving loan account, if any scheduled payment is more than
11 twice as large as the average of earlier scheduled payments, the debtor
12 has the right to refinance the amount of that payment at the time it is
13 due without penalty. The terms of the refinancing shall be no less
14 favorable to the debtor than the terms of the original loan. These
15 provisions do not apply to the extent that the payment schedule is
16 adjusted to the seasonal or irregular income of the debtor.

17 Sec. 45.90.515. NO ASSIGNMENT OF EARNINGS. (a) A lender may not
18 take an assignment of earnings of the debtor for payment or as security
19 for payment of a debt arising out of a consumer loan. An assignment of
20 earnings in violation of this section is unenforceable by the assignee
21 of the earnings and revocable by the debtor. This section does not
22 prohibit an employee from authorizing deductions from his earnings if
23 the authorization is revocable.

24 (b) A sale of unpaid earnings made in consideration of the payment
25 of money to or for the account of the seller of the earnings is con-
26 sidered to be a loan to him secured by an assignment of earnings.

27 Sec. 45.90.520. ATTORNEY'S FEES. Except as provided by the limit-
28 ations on attorney's fees in certain supervised loans under sec. 595
29 of this Act, with respect to a consumer loan the agreement may provide

1 for the payment by the debtor of reasonable attorney's fees not in
2 excess of 15 per cent of the unpaid debt after default and referral to
3 an attorney not a salaried employee of the lender. A provision in
4 violation of this section is unenforceable.

5 Sec. 45.90.525. LIMITATION ON DEFAULT CHARGES. Except for rea-
6 sonable expenses incurred in realizing on a security interest, the
7 agreement with respect to a consumer loan may not provide for charges
8 as a result of default by the debtor other than those authorized by
9 this Act. A provision in violation of this section is unenforceable.

10 Sec. 45.90.530. NOTICE OF ASSIGNMENT. The debtor is authorized
11 to pay the original lender until he receives notification of assignment
12 of rights to payment pursuant to a consumer loan and that payment is to
13 be made to the assignee. A notification which does not reasonably
14 identify the rights assigned is ineffective. If requested by the debtor,
15 the assignee must seasonably furnish reasonable proof that the assign-
16 ment has been made and unless he does so the debtor may pay the
17 original lender.

18 Sec. 45.90.535. AUTHORIZATION TO CONFESS JUDGMENT PROHIBITED. A
19 debtor may not authorize any person to confess judgment on a claim
20 arising out of a consumer loan. An authorization in violation of this
21 section is void.

22 Sec. 45.90.540. CHANGE IN TERMS OF REVOLVING LOAN ACCOUNTS. (a)
23 If a lender makes a change in the terms of a revolving loan account
24 without complying with this section any additional cost or charge to
25 the debtor resulting from the change is an excess charge and subject to
26 the remedies available to debtors under sec. 775 of this Act and to
27 the administrator under sec. 865 of this Act.

28 (b) A lender may change the terms of a revolving loan account
29 whether or not the change is authorized by prior agreement. Except as

1 provided in (c) of this section, the lender shall give to the debtor
2 written notice of any change at least three times, with the first notice
3 at least six months before the effective date of the change.

4 (c) The notice specified in (b) of this section is not required if

5 (1) the debtor after receiving notice of the change agrees
6 in writing to the change;

7 (2) the debtor elects to pay an amount designated on a
8 billing statement under sec. 485(b) of this Act as including a new
9 charge for a benefit offered to the debtor when the benefit and charge
10 constitute the change in terms and when the billing statement also
11 states the amount payable if the new charge is excluded;

12 (3) the change involves no significant cost to the debtor;

13 (4) the debtor has previously consented in writing to the
14 kind of change made and notice of the change is given to the debtor in
15 two billing cycles prior to the effective date of the change; or

16 (5) the change applies only to debts incurred after a date
17 specified in a notice of the change given in two billing cycles prior
18 to the effective date of the change.

19 (d) The notice provided for in this section is given to the debtor
20 when mailed to him at the address used by the lender for sending periodic
21 billing statements.

22 Sec. 45.90.545. DEFINITIONS: "REGULATED LOAN"; "REGULATED LENDER";
23 "SUPERVISED LOAN"; "SUPERVISED LENDER". (a) "Regulated loan" means a
24 consumer loan, including a loan made pursuant to a revolving loan
25 account, in which the rate of the loan finance charge is in excess of
26 10 per cent per year calculated on the unpaid balances of the principal
27 according to the United States rule.

28 (b) "Regulated lender" means a person engaged in the business of
29 making regulated loans.

1 (c) "Supervised loan" means a regulated loan in which the rate of
2 the loan finance charge exceeds 18 per cent per year as determined
3 according to the provisions on loan finance charge for consumer loans
4 under sec. 395 of this Act.

5 (d) "Supervised lender" means a person authorized to make or take
6 assignments of supervised loans.

7 Sec. 45.90.550. AUTHORITY TO MAKE SUPERVISED LOANS. Unless a
8 person is a supervised financial organization or has first obtained a
9 license from the administrator authorizing him to make supervised loans,
10 he shall not engage in the business of

11 (1) making supervised loans, or

12 (2) taking assignments of and undertaking direct collection
13 of payments from or enforcement of rights against debtors arising from
14 supervised loans, but he may collect and enforce for three months with-
15 out a license if he promptly applies for a license and his application
16 has not been denied.

17 Sec. 45.90.555. LICENSE TO MAKE SUPERVISED LOANS. (a) The admin-
18 istrator shall receive and act on all applications for licenses to
19 make supervised loans under this Act. Applications shall be filed in
20 the manner prescribed by the administrator and shall contain such infor-
21 mation as the administrator may require to make an evaluation of the
22 financial responsibility, character and fitness of the applicant.

23 (b) No license shall be issued unless the administrator, upon
24 investigation, finds that the financial responsibility, character and
25 fitness of the applicant, and of the members thereof (if the applicant
26 is a co-partnership or association) and of the officers and directors
27 thereof (if the applicant is a corporation), are such as to warrant
28 belief that the business will be operated honestly and fairly within
29 the purposes of this Act.

1 (c) Upon written request, the applicant is entitled to a hearing
2 on the question of his qualifications for a license if (1) the admin-
3 istrator has notified the applicant in writing that his application has
4 been denied, or (2) the administrator has not issued a license within
5 60 days after the application for the license was filed. A request for
6 a hearing may not be made more than 15 days after the administrator has
7 mailed a writing to the applicant notifying him that the application
8 has been denied and stating in substance the administrator's findings
9 supporting denial of the application.

10 Sec. 45.90.560. REVOCATION OR SUSPENSION OF LICENSE. (a) The
11 administrator may issue to a person licensed to make supervised loans
12 an order to show cause why his license should not be revoked or sus-
13 pended for a period not in excess of 6 months. The order shall state
14 the place for a hearing and set a time for the hearing that is no less
15 than 10 days from the date of the order. After the hearing the admin-
16 istrator shall revoke or suspend the license if he finds that:

17 (1) the licensee has repeatedly and wilfully violated this
18 Act or any rule or order lawfully made under this Act; or

19 (2) facts or conditions exist which would clearly have justifi-
20 fied the administrator in refusing to grant a license had these facts
21 or conditions been known to exist at the time the application for the
22 license was made.

23 (b) No revocation or suspension of a license is lawful unless
24 prior to institution of proceedings by the administrator notice is
25 given to the licensee of the facts or conduct which warrant the intended
26 action, and the licensee is given an opportunity to show compliance with
27 all lawful requirements for retention of the license.

28 (c) If the administrator finds that probable cause for revocation
29 of a license exists and that enforcement of this Act requires immediate

1 suspension of the license pending investigation, he may, after a
2 hearing upon 5 days' written notice, enter an order suspending the
3 license for not more than 30 days.

4 (d) Whenever the administrator revokes or suspends a license, he
5 shall enter an order to that effect and forthwith notify the licensee
6 of the revocation or suspension. Within five days after the entry of
7 the order he shall deliver to the licensee a copy of the order and the
8 findings supporting the order.

9 (e) Any person holding a license to make supervised loans may
10 relinquish the license by notifying the administrator in writing of its
11 relinquishment, but this relinquishment shall not affect his liability
12 for acts previously committed.

13 (f) No revocation, suspension, or relinquishment of a license
14 shall impair or affect the obligation of any preexisting lawful contract
15 between the licensee and any debtor.

16 (g) The administrator may reinstate a license, terminate a sus-
17 pension, or grant a new license to a person whose license has been
18 revoked or suspended if no fact or condition then exists which clearly
19 would have justified the administrator in refusing to grant a license.

20 Sec. 45.90.565. RECORDS; ANNUAL REPORTS. (a) Every licensee
21 shall maintain records in conformity with generally accepted accounting
22 principles and practices in a manner that will enable the administrator
23 to determine whether the licensee is complying with the provisions of
24 this Act. The record keeping system of a licensee shall be sufficient
25 if he makes the required information reasonably available. The records
26 need not be kept in the place of business where supervised loans are
27 made, if the administrator is given free access to the records wherever
28 located. The records pertaining to any loan need not be preserved for
29 more than two years after making the final entry relating to the loan,

1 but in the case of a revolving loan account the two years is measured
2 from the date of each entry.

3 (b) On or before April 15 each year every licensee shall file with
4 the administrator a composite annual report in the form prescribed by
5 the administrator relating to all supervised loans made by him. The
6 administrator shall consult with comparable officials in other states
7 for the purpose of making the kinds of information required in annual
8 reports uniform among the states. Information contained in annual
9 reports shall be confidential and may be published only in composite
10 form.

11 Sec. 45.90.570. EXAMINATIONS AND INVESTIGATIONS. (a) The admin-
12 istrator shall periodically examine at such intervals as he considers
13 appropriate the loans, business, and records of every licensee. In
14 addition, for the purpose of discovering violations of this Act or
15 securing information lawfully required, the administrator or the official
16 or agency to whose supervision the organization is subject under sec.
17 825 of this Act may at any time investigate the loans, business, and
18 records of any regulated lender. For these purposes he shall have free
19 and reasonable access to the offices, places of business, and records
20 of the lender.

21 (b) If the lender's records are located outside this state, the
22 lender shall, at his option, either make them available to the adminis-
23 trator at a convenient location within this state, or pay the reason-
24 able and necessary expenses for the administrator or his representative
25 to examine them at the place where they are maintained. The adminis-
26 trator may designate representatives, including comparable officials
27 of the state in which the records are located, to inspect them on his
28 behalf.

29 (c) For the purposes of this section, the administrator may

1 administer oaths or affirmations, and upon his own motion or upon
2 request of any party may subpoena witnesses, compel their attendance,
3 adduce evidence, and require the production of any matter which is rele-
4 vant to the investigation, including the existence, description, nature,
5 custody, condition, and location of any books, documents, or other
6 tangible things and the identity and location of persons having know-
7 ledge of relevant facts, or any other matter reasonably calculated to
8 lead to the discovery of admissible evidence.

9 (d) Upon failure without lawful excuse to obey a subpoena or to
10 give testimony and upon reasonable notice to all persons affected
11 thereby, the administrator may apply to the superior court for an order
12 compelling compliance.

13 Sec. 45.90.575. APPLICATION OF ADMINISTRATIVE PROCEDURE ACT.
14 Except as otherwise provided, the provisions of secs. 545 - 610 of this
15 Act are subject to AS 44.62.

16 Sec. 45.90.580. LOAN FINANCE CHARGE FOR SUPERVISED LOANS. (a)
17 With respect to a supervised loan, including a loan pursuant to a
18 revolving loan account, a supervised lender may contract for and receive
19 a loan finance charge not exceeding that permitted by this section.

20 (b) The loan finance charge, calculated according to the United
21 States rule, may not exceed the equivalent of the greater of either of
22 the following:

23 (1) the total of

24 (A) 36 per cent per year on that part of the unpaid
25 balances of the principal which is \$300 or less;

26 (B) 21 per cent per year on that part of the unpaid
27 balances of the principal which is more than \$300 but does not
28 exceed \$1,000; and

29 (C) 15 per cent per year on that part of the unpaid

1 balances of the principal which is more than \$1,000; or

2 (2) 18 per cent per year on the unpaid balances of the
3 principal.

4 (c) This section does not limit or restrict the manner of con-
5 tracting for the loan finance charge, whether by way of add-on, dis-
6 count, or otherwise, so long as the rate of the loan finance charge does
7 not exceed that permitted by this section. If the loan is precomputed,

8 (1) the loan finance charge may be calculated on the assump-
9 tion that all scheduled payments will be made when due, and

10 (2) the effect of prepayment is governed by the provisions
11 of sec. 440 of this Act.

12 (d) The term of a loan for the purposes of this section commences
13 on the date the loan is made. Differences in the lengths of months are
14 disregarded and a day may be counted as 1/30th of a month. Subject to
15 classifications and differentiations the lender may reasonably establish,
16 a part of a month in excess of 15 days may be treated as a full month
17 if periods of 15 days or less are disregarded and if that procedure
18 is not consistently used to obtain a greater yield than would otherwise
19 be permitted.

20 (e) Subject to classifications and differentiations the lender
21 may reasonably establish, he may make the same loan finance charge on
22 all principal amounts within a specified range. A loan finance charge
23 so made does not violate (b) of this section if

24 (1) when applied to the median amount within each range, it
25 does not exceed the maximum permitted in (b) of this section, and

26 (2) when applied to the lowest amount within each range, it
27 does not produce a rate of loan finance charge exceeding the rate cal-
28 culated according to (e)(1) of this section by more than 8 per cent
29 of the rate calculated according to (e)(1) of this section.

1 (f) The amounts of \$300 and \$1,000 in (b) of this section are
2 subject to change under the provisions of sec. 30 of this Act.

3 Sec. 45.90.585. USE OF MULTIPLE AGREEMENTS. With respect to a
4 supervised loan, no lender may permit any person, or husband and wife,
5 to become obligated in any way under more than one loan agreement with
6 the lender or with a person related to the lender, with intent to obtain
7 a higher rate of loan finance charge than would otherwise be permitted
8 by the provisions of sec. 580 of this Act or to avoid disclosure of an
9 annual percentage rate under the provisions of secs. 445 - 500 of this
10 Act. The excess amount of loan finance charge provided for in agreements
11 in violation of this section are excess charges for the purposes of the
12 provisions on effect of violations on rights of parties under sec. 775
13 of this Act and the provisions on civil actions by administrator under
14 sec. 865 of this Act.

15 Sec. 45.90.590. RESTRICTIONS ON INTEREST IN LAND AS SECURITY. (a)
16 With respect to a supervised loan in which the principal is \$1,000 or
17 less, a lender may not contract for an interest in land as security. A
18 security interest taken in violation of this section is void.

19 (b) The amount of \$1,000 in (a) of this section is subject to
20 change under the provisions of sec. 30 of this Act.

21 Sec. 45.90.595. LIMITATION ON ATTORNEY'S FEES. (a) With respect
22 to a supervised loan in which the principal is \$1,000 or less, the
23 agreement may not provide for the payment by the debtor of attorney's
24 fees. A provision in violation of this section is unenforceable.

25 (b) The amount of \$1,000 in (a) of this section is subject to
26 change under the provisions of sec. 30 of this Act.

27 Sec. 45.90.600. REGULAR SCHEDULE OF PAYMENTS; MAXIMUM LOAN TERM.

28 (a) Regulated loans payable in instalments, other than loans pursuant
29 to a revolving loan account, in which the principal is \$1,000 or less

1 shall be repayable in substantially equal instalments which shall be
2 payable at equal periodic intervals except to the extent that the
3 schedule of payments is adjusted to the seasonal or irregular income
4 of the debtor. Regulated loans payable in instalments, other than
5 loans pursuant to a revolving loan account, in which the principal is
6 \$300 or less shall be scheduled to be payable over a period of not more
7 than 25 months, and regulated loans in which the principal is more than
8 \$300 but does not exceed \$1,000 shall be scheduled to be payable over
9 a period of not more than 37 months.

10 (b) The amounts of \$300 and \$1,000 in (a) of this section are
11 subject to change under the provisions of sec. 30 of this Act.

12 Sec. 45.90.605. CONDUCT OF BUSINESS OTHER THAN MAKING LOANS. A
13 licensee may carry on other business at a location where he makes
14 supervised loans unless he carries on other business for the purpose of
15 evasion or violation of this Act.

16 Sec. 45.90.610. APPLICATION OF OTHER PROVISIONS. Except as other-
17 wise provided, all provisions of this Act applying to consumer loans
18 apply to regulated loans.

19 Sec. 45.90.615. LOANS SUBJECT TO ACT BY AGREEMENT OF PARTIES.
20 The parties to a loan other than a consumer loan may agree in a writing
21 signed by the parties that the loan is subject to the provisions of
22 this Act applying to consumer loans. If the parties so agree, the loan
23 is a consumer loan for the purposes of this Act.

24 Sec. 45.90.620. DEFINITION: "CONSUMER RELATED LOAN"; RATE OF
25 LOAN FINANCE CHARGE. (a) A "consumer related loan" is a loan which
26 is not subject to the provisions of this Act applying to consumer loans
27 and in which the principal does not exceed \$25,000, if

- 28 (1) the debtor is a person other than an organization, or
29 (2) the debt is secured primarily by a security interest in

1 a one or two family dwelling occupied by a person related to the debtor

2 (b) With respect to a consumer related loan, including one made
3 pursuant to a revolving loan account, the parties may contract for the
4 payment of a loan finance charge not in excess of that permitted by
5 the provisions on loan finance charge for consumer loans other than
6 supervised loans under sec. 395 of this Act.

7 (c) The amount of \$25,000 in (a) of this section is subject to
8 change under the provisions of sec. 30 of this Act.

9 Sec. 45.90.625. APPLICABILITY OF OTHER PROVISIONS TO CONSUMER
10 RELATED LOANS. Except for the rate of the loan finance charge and the
11 rights to prepay and to rebate upon prepayment, the provisions of secs.
12 395 - 440 of this Act apply to a consumer related loan.

13 Sec. 45.90.630. LIMITATION ON DEFAULT CHARGES IN CONSUMER RELATED
14 LOANS. (a) The agreement with respect to a consumer related loan may
15 provide for only the following charges as a result of the debtor's
16 default:

17 (1) reasonable attorney fees and reasonable expenses
18 incurred in realizing on a security interest;

19 (2) deferral charges not in excess of 18 per cent per year
20 of the amount deferred for the period of deferral; and

21 (3) other charges that could have been made had the loan been
22 a consumer loan.

23 (b) A provision in violation of this section is unenforceable.

24 Sec. 45.90.635. LOAN FINANCE CHARGE FOR OTHER LOANS. With respect
25 to a loan other than a consumer loan or a consumer related loan, the
26 parties may contract for the payment by the debtor of any loan finance
27 charge.

28 ARTICLE 4. INSURANCE.

29 Sec. 45.90.640. SHORT TITLE. This Article shall be known and may

1 be cited as Uniform Consumer Credit Code -- Insurance.

2 Sec. 45.90.645. SCOPE. (a) Except as provided in (b) of this
3 section, this Article applies to insurance provided or to be provided
4 in relation to a consumer credit sale under sec. 75 of this Act, a con-
5 sumer lease under sec. 85 of this Act, or a consumer loan under sec.
6 365 of this Act.

7 (b) The provision on cancellation by a creditor under sec. 725
8 of this Act applies to loans the primary purpose of which is the financ-
9 ing of insurance. No other provision of this Article applies to insur-
10 ance so financed.

11 Sec. 45.90.645. DEFINITION: "CONSUMER CREDIT INSURANCE". In this
12 Act "consumer credit insurance" means insurance, other than insurance
13 on property, by which the satisfaction of debt in whole or in part is
14 a benefit provided, but does not include

15 (1) insurance provided in relation to a credit transaction
16 in which a payment is scheduled more than 10 years after the extension
17 of credit;

18 (2) insurance issued as an isolated transaction on the part
19 of the insurer not related to an agreement or plan for insuring debtors
20 of the creditor; or

21 (3) insurance indemnifying the creditor against loss due to
22 the debtor's default.

23 Sec. 45.90.650. CREDITOR'S PROVISION OF AND CHARGE FOR INSURANCE;
24 EXCESS AMOUNT OF CHARGE. (a) Except as otherwise provided in secs.
25 640 - 725 of this Act and subject to the provisions on additional
26 charges under secs. 120 and 400 of this Act and maximum charges under
27 secs. 115 - 160 and 395 - 440 of this Act, a creditor may agree to pro-
28 vide insurance, and may contract for and receive a charge for insurance
29 separate from and in addition to other charges. A creditor need not

1 make a separate charge for insurance provided or required by him. This
2 Act does not authorize the issuance of any insurance prohibited under
3 any statute, or rule thereunder, governing the business of insurance.

4 (b) The excess amount of a charge for insurance provided for in
5 agreements in violation of secs. 640 - 725 of this Act is an excess
6 charge for the purposes of the provisions of secs. 730 - 800 of this
7 Act as to effect of violations on rights of parties under sec. 775 of
8 this Act and of the provisions of secs. 805 - 960 of this Act as to
9 civil actions by the administrator under sec. 865 of this Act.

10 Sec. 45.90.655. CONDITIONS APPLYING TO INSURANCE TO BE PROVIDED
11 BY CREDITOR. If a creditor agrees with a debtor to provide insurance

12 (1) the insurance shall be evidenced by an individual policy
13 or certificate of insurance delivered to the debtor, or sent to him at
14 his address as stated by him, within 30 days after the term of the
15 insurance commences under the agreement between the creditor and debtor,
16 or

17 (2) the creditor shall promptly notify the debtor of any
18 failure or delay in providing the insurance.

19 Sec. 45.90.660. UNCONSCIONABILITY. (a) In applying the provisions
20 of the Act on unconscionability under secs. 765 and 855 of this Act to
21 a separate charge for insurance, consideration shall be given, among
22 other factors, to

23 (1) potential benefits to the debtor including the satis-
24 faction of his obligations;

25 (2) the creditor's need for the protection provided by the
26 insurance; and

27 (3) the relation between the amount and terms of credit
28 granted and the insurance benefits provided.

29 (b) If consumer credit insurance otherwise complies with secs.

1 640 - 725 of this Act and other applicable law, neither the amount nor
2 the term of the insurance nor the amount of a charge therefor is in
3 itself unconscionable.

4 Sec. 45.90.665. MAXIMUM CHARGE BY CREDITOR FOR INSURANCE. (a)
5 Except as provided in (b) of this section, if a creditor contracts for
6 or receives a separate charge for insurance, the amount charged to the
7 debtor for the insurance may not exceed the premium to be charged by
8 the insurer, as computed at the time the charge to the debtor is deter-
9 mined, conforming to any rate filings required by law and made by the
10 insurer with the commissioner of commerce.

11 (b) A creditor who provides consumer credit insurance in relation
12 to a revolving charge account under sec. 95 of this Act or revolving
13 loan account under sec. 385 of this Act may calculate the charge to the
14 debtor in each billing cycle by applying the current premium rate to

15 (1) the average daily unpaid balance of the debt in the
16 cycle;

17 (2) the unpaid balance of the debt or a median amount within
18 a specified range of unpaid balances of debt on approximately the same
19 day of the cycle. The day of the cycle need not be the day used in
20 calculating the credit service charge under sec. 145 of this Act or
21 loan finance charge under secs. 395 and 580 of this Act, but the speci-
22 fied range shall be the range used for that purpose; or

23 (3) the unpaid balances of principal calculated according to
24 the United States rule.

25 Sec. 45.90.670. REFUND OR CREDIT REQUIRED; AMOUNT. (a) Upon pre-
26 payment in full of a consumer credit sale or consumer loan by the pro-
27 ceeds of consumer credit insurance, the debtor or his estate is entitled
28 to a refund of any portion of a separate charge for insurance which by
29 reason of prepayment is retained by the creditor or returned to him by

1 the insurer unless the charge was computed from time to time on the
2 basis of the balances of the debtor's account.

3 (b) Secs. 640 - 725 of this Act do not require a creditor to
4 grant a refund or credit to the debtor if all refunds and credits due
5 to the debtor under these sections amount to less than \$1, and except
6 as provided in (a) of this section do not require the creditor to
7 account to the debtor for any portion of a separate charge for insurance
8 because

9 (1) the insurance is terminated by performance of the
10 insurer's obligation;

11 (2) the creditor pays or accounts for premiums to the insurer
12 in amounts and at times determined by the agreement between them; or

13 (3) the creditor receives directly or indirectly under any
14 policy of insurance a gain or advantage not prohibited by law.

15 (c) Except as provided in (b) of this section, the creditor shall
16 promptly make or cause to be made an appropriate refund or credit to
17 the debtor with respect to any separate charge made to him for insur-
18 ance if

19 (1) the insurance is not provided or is provided for a short-
20 er term than that for which the charge to the debtor for insurance was
21 computed; or

22 (2) the insurance terminates prior to the end of the term
23 for which it was written because of prepayment in full or otherwise.

24 (d) A refund or credit required by (c) of this section is appropri-
25 ate as to amount if it is computed according to a method prescribed or
26 approved by the commissioner of commerce or a formula filed by the
27 insurer with the commissioner of commerce at least 30 days before the
28 debtor's right to a refund or credit becomes determinable, unless the
29 method or formula is employed after the commissioner of commerce

1 notifies the insurer that he disapproves it.

2 Sec. 45.90.675. EXISTING INSURANCE; CHOICE OF INSURER. If a
3 creditor requires insurance, upon notice to the creditor the debtor
4 shall have the option of providing the required insurance through an
5 existing policy of insurance owned or controlled by the debtor, or
6 through a policy to be obtained and paid for by the debtor, but the
7 creditor may for reasonable cause decline the insurance provided by the
8 debtor.

9 Sec. 45.90.680. CHARGE FOR INSURANCE IN CONNECTION WITH A DEFERRAL,
10 REFINANCING, OR CONSOLIDATION; DUPLICATE CHARGES. (a) A creditor may
11 not contract for or receive a separate charge for insurance in connec-
12 tion with a deferral under secs. 130 or 410 of this Act, a refinancing
13 under secs. 135 or 415 of this Act, or a consolidation under secs. 140
14 or 420 of this Act, unless

15 (1) the debtor agrees at or before the time of the deferral,
16 refinancing, or consolidation that the charge may be made;

17 (2) the debtor is or is to be provided with insurance for
18 an amount or a term, or insurance of a kind, in addition to that to
19 which he would have been entitled had there been no deferral, refinanc-
20 ing, or consolidation;

21 (3) the debtor receives a refund or credit on account of any
22 unexpired term of existing insurance in the amount that would be
23 required if the insurance were terminated under sec. 670 of this Act;
24 and

25 (4) the charge does not exceed the amount permitted by sec.
26 665 of this Act.

27 (b) A creditor may not contract for or receive a separate charge
28 for insurance which duplicates insurance with respect to which the
29 creditor has previously contracted for or received a separate charge.

1 Sec. 45.90.685. COOPERATION BETWEEN ADMINISTRATOR AND COMMISSIONER
2 OF COMMERCE. The administrator and the commissioner of commerce are
3 authorized and directed to consult and assist one another in maintaining
4 compliance with secs. 640 - 725 of this Act. They may jointly pursue
5 investigations, prosecute suits, and take other official action, as
6 may seem to them appropriate, if either of them is otherwise empowered
7 to take the action. If the administrator is informed of a violation or
8 suspected violation by an insurer of secs. 640 - 725 of this Act, or
9 of the insurance laws, rules, and regulations of this state, he shall
10 advise the commissioner of commerce of the circumstances.

11 Sec. 45.90.690. ADMINISTRATIVE ACTION OF COMMISSIONER OF COMMERCE.

12 (a) To the extent that his responsibility under secs. 640 - 725 of
13 this Act require, the commissioner of commerce shall issue rules with
14 respect to insurers, and with respect to refunds under sec. 670 of this
15 Act, forms, schedules of premium rates and charges under sec. 705 of
16 this Act, and his approval or disapproval thereof and, in case of
17 violation, may make an order for compliance.

18 (b) The Administrative Procedure Act applies to and governs all
19 administrative action taken by the commissioner of commerce under this
20 section.

21 Sec. 45.90.695. TERM OF INSURANCE. (a) Consumer credit insurance
22 provided by a creditor may be subject to the furnishing of evidence of
23 insurability satisfactory to the insurer. Whether or not such evidence
24 is required, the term of the insurance shall commence no later than
25 when the debtor becomes obligated to the creditor or when the debtor
26 applies for the insurance, whichever is later, except as follows:

27 (1) if any required evidence of insurability is not furnished
28 until more than 30 days after the term would otherwise commence, the
29 term may commence on the date when the insurer determines the evidence

1 to be satisfactory; or

2 (2) if the creditor provides insurance not previously pro-
3 vided covering debts previously created, the term may commence on the
4 effective date of the policy.

5 (b) The originally scheduled term of the insurance shall extend
6 at least until the due date of the last scheduled payment of the debt
7 except as follows:

8 (1) if the insurance relates to a revolving charge account
9 or revolving loan account, the term need extend only until the payment
10 of the debt under the account and may be sooner terminated after at
11 least 30 days' notice to the debtor; or

12 (2) if the debtor is advised in writing that the insurance
13 will be written for a specified shorter time, the term need extend only
14 until the end of the specified time.

15 (c) The term of the insurance shall not extend more than 15 days
16 after the originally scheduled due date of the last scheduled payment
17 of the debt unless it is extended without additional cost to the debtor
18 or as an incident to a deferral, refinancing, or consolidation.

19 Sec. 45.90.700. AMOUNT OF INSURANCE. (a) Except as provided in
20 (b) of this section,

21 (1) in the case of consumer credit insurance providing life
22 coverage, the amount of insurance may not initially exceed the debt and,
23 if the debt is payable in instalments, may not at any time exceed the
24 greater of the scheduled or actual amount of the debt; or

25 (2) in the case of any other consumer credit insurance, the
26 total amount of periodic benefits payable may not exceed the total of
27 scheduled unpaid instalments of the debt, and the amount of any periodic
28 benefit may not exceed the original amount of debt divided by the number
29 of periodic instalments in which it is payable.

1 (b) If consumer credit insurance is provided in connection with a
2 revolving charge account or revolving loan account, the amounts payable
3 as insurance benefits may be reasonably commensurate with the amount of
4 debt as it exists from time to time. If consumer credit insurance is
5 provided in connection with a commitment to grant credit in the future,
6 the amounts payable as insurance benefits may be reasonably commensurate
7 with the total from time to time of the amount of debt and the amount
8 of the commitment. If the debt or the commitment is primarily for an
9 agricultural purpose, and there is no regular schedule of payments, the
10 amounts payable as insurance benefits may equal the total of the
11 initial amount of debt and the amount of the commitment.

12 Sec. 45.90.705. FILING AND APPROVAL OF RATES AND FORMS. (a) A
13 creditor may not use a form, or a schedule of premium rates or charges,
14 the filing of which is required by this section, if the commissioner of
15 commerce has disapproved the form or schedule and has notified the
16 insurer of his disapproval. A creditor may not use a form or schedule
17 unless

18 (1) the form or schedule has been on file with the commis-
19 sioner of commerce for 30 days, or has earlier been approved by him;
20 and

21 (2) the insurer has complied with this section with respect
22 to the insurance.

23 (b) Except as provided in (c) of this section, all policies,
24 certificates of insurance, notices of proposed insurance, applications
25 for insurance, endorsements and riders relating to consumer credit
26 insurance delivered or issued for delivery in this state, and the
27 schedules of premium rates or charges pertaining thereto, shall be
28 filed by the insurer with the commissioner of commerce. He shall,
29 within 30 days after the filing of any form or schedule, disapprove it

1 if the premium rates or charges are unreasonable in relation to the
2 benefits provided under the form, or if the form contains provisions
3 which are unjust, unfair, inequitable, or deceptive or encourage mis-
4 representation of the coverage or are contrary to any provision of the
5 Insurance Code or of any rule or regulation promulgated thereunder.

6 (c) If a group policy has been delivered in another state, the
7 forms to be filed by the insurer with the commissioner of commerce are
8 the group certificates and notices of proposed insurance. He shall
9 approve them if

10 (1) they provide the information that would be required if
11 the group policy were delivered in this state; and

12 (2) the applicable premium rates or charges do not exceed
13 those established by his rules or regulations.

14 Sec. 45.90.710. PROPERTY INSURANCE. (a) A creditor may not
15 contract for or receive a separate charge for insurance against loss
16 of or damage to property unless

17 (1) the insurance covers a substantial risk of loss of or
18 damage to property related to the credit transaction;

19 (2) the amount, terms, and conditions of the insurance are
20 reasonable in relation to the character and value of the property
21 insured or to be insured; and

22 (3) the term of the insurance is reasonable in relation to
23 the terms of credit.

24 (b) The term of the insurance is reasonable if it is customary and
25 does not extend substantially beyond a scheduled maturity.

26 (c) A creditor may not contract for or receive a separate charge
27 for insurance against loss of or damage to property unless the amount
28 financed or principal exclusive of charges for the insurance is \$300 or
29 more, and the value of the property is \$300 or more.

1 (d) The amounts of \$300 in (c) of this section are subject to
2 change under the provisions of sec. 30 of this Act.

3 Sec. 45.90.715. INSURANCE ON CREDITOR'S INTEREST ONLY. If a
4 creditor contracts for or receives a separate charge for insurance
5 against loss of or damage to property, the risk of loss or damage not
6 wilfully caused by the debtor is on the debtor only to the extent of
7 any deficiency in the effective coverage of the insurance, even though
8 the insurance covers only the interest of the creditor.

9 Sec. 45.90.720. LIABILITY INSURANCE. A creditor may not contract
10 for or receive a separate charge for insurance against liability unless
11 the insurance covers a substantial risk of liability arising out of
12 the ownership or use of property related to the credit transaction.

13 Sec. 45.90.725. CANCELLATION BY CREDITOR: A creditor shall not
14 request cancellation of a policy of property or liability insurance
15 except after the debtor's default or in accordance with a written
16 authorization by the debtor, and in either case the cancellation does
17 not take effect until written notice is delivered to the debtor or
18 mailed to him at his address as stated by him. The notice shall state
19 that the policy may be cancelled on a date not less than 10 days after
20 the notice is delivered, or, if the notice is mailed, not less than
21 13 days after it is mailed.

22 ARTICLE 5. REMEDIES AND PENALTIES.

23 Sec. 45.90.730. SHORT TITLE. This Article shall be known and
24 may be cited as Uniform Consumer Credit Code -- Remedies and Penalties.

25 Sec. 45.90.735. SCOPE. Secs. 740 - 765 of this Act apply to
26 actions or other proceedings to enforce rights arising from consumer
27 credit sales, consumer leases and consumer loans; and, in addition, to
28 extortionate extensions of credit under sec. 760 of this Act.

29 Sec. 45.90.740. RESTRICTIONS ON DEFICIENCY JUDGMENTS IN CONSUMER

1 CREDIT SALES. (a) This section applies to a consumer credit sale of
2 goods or services.

3 (b) If the seller repossesses or voluntarily accepts surrender of
4 goods which were the subject of the sale and in which he has a security
5 interest and the cash price of the goods repossessed or surrendered was
6 \$1,000 or less, the buyer is not personally liable to the seller for
7 the unpaid balance of the debt arising from the sale of the goods, and
8 the seller is not obligated to resell the collateral.

9 (c) If the seller repossesses or voluntarily accepts surrender of
10 goods which were not the subject of the sale but in which he has a
11 security interest to secure a debt arising from a sale of goods or
12 services or a combined sale of goods and services and the cash price of
13 the sale was \$1,000 or less, the buyer is not personally liable to the
14 seller for the unpaid balance of the debt arising from the sale.

15 (d) For the purpose of determining the unpaid balance of consoli-
16 dated debts or debts pursuant to revolving charge accounts, the allo-
17 cation of payments to a debt shall be determined in the same manner as
18 provided for determining the amount of debt secured by various security
19 interests under sec. 265 of this Act.

20 (e) The buyer may be liable in damages to the seller if the buyer
21 has wrongfully damaged the collateral or if, after default and demand,
22 the buyer has wrongfully failed to make the collateral available to the
23 seller.

24 (f) If the seller elects to bring an action against the buyer for
25 a debt arising from a consumer credit sale of goods or services, when
26 under this section he would not be entitled to a deficiency judgment if
27 he repossessed the collateral, and obtains judgment

28 (1) he may not repossess the collateral, and

29 (2) the collateral is not subject to levy or sale on

1 execution or similar proceedings under the judgment.

2 (g) The amounts of \$1,000 in (b) and (c) of this section are sub-
3 ject to change under the provisions of sec. 30 of this Act.

4 Sec. 45.90.745. NO GARNISHMENT BEFORE JUDGMENT. Prior to entry
5 of judgment in an action against the debtor for debt arising from a
6 consumer credit sale, a consumer lease, or a consumer loan, the creditor
7 may not attach unpaid earnings of the debtor by garnishment or like
8 proceedings.

9 Sec. 45.90.750. LIMITATION ON GARNISHMENT. (a) For the purposes
10 of secs. 730 - 765 of this Act

11 (1) "disposable earnings" means that part of the earnings of
12 an individual remaining after the deduction from those earnings of
13 amounts required by law to be withheld; and

14 (2) "garnishment" means any legal or equitable procedure
15 through which the earnings of an individual are required to be withheld
16 for payment of a debt.

17 (b) The maximum part of the aggregate disposable earnings of an
18 individual for any workweek which is subjected to garnishment to enforce
19 payment of a judgment arising from a consumer credit sale, consumer
20 lease, or consumer loan may not exceed the lesser of

21 (1) 25 per cent of his disposable earnings for that week, or

22 (2) the amount by which his disposable earnings for that
23 week exceed forty times the federal minimum hourly wage prescribed by
24 Section 6(a)(1) of the Fair Labor Standards Act of 1938, U.S.C. tit. 29,
25 sec. 206(a)(1), in effect at the time the earnings are payable.

26 (3) In the case of earnings for a pay period other than a
27 week, the administrator shall by rule prescribe a multiple of the
28 federal minimum hourly wage equivalent in effect to that set forth in
29 (b)(2) of this section.

1 (c) No court may make, execute, or enforce an order or process in
2 violation of this section.

3 Sec. 45.90.755. NO DISCHARGE FROM EMPLOYMENT FOR GARNISHMENT. No
4 employer shall discharge an employee for the reason that a creditor of
5 the employee has subjected or attempted to subject unpaid earnings of
6 the employee to garnishment or like proceedings directed to the employer
7 for the purpose of paying a judgment arising from a consumer credit
8 sale, consumer lease, or consumer loan.

9 Sec. 45.90.760. EXTORTIONATE EXTENSIONS OF CREDIT. (a) If it is
10 the understanding of the creditor and the debtor at the time an exten-
11 sion of credit is made that delay in making repayment or failure to
12 make repayment could result in the use of violence or other criminal
13 means to cause harm to the person, reputation, or property of any per-
14 son, the repayment of the extension of credit is unenforceable through
15 civil judicial processes against the debtor.

16 (b) If it is shown that an extension of credit was made at an
17 annual rate exceeding 45 per cent calculated according to the United
18 States rule and that the creditor then had a reputation for the use or
19 threat of use of violence or other criminal means to cause harm to the
20 person, reputation, or property of any person to collect extensions of
21 credit or to punish the nonrepayment thereof, there is prima facie
22 evidence that the extension of credit was unenforceable under (a) of
23 this section.

24 Sec. 45.90.765. UNCONSCIONABILITY. (a) With respect to a con-
25 sumer credit sale, consumer lease, or consumer loan, if the court as a
26 matter of law finds the agreement or any clause of the agreement to have
27 been unconscionable at the time it was made the court may refuse to
28 enforce the agreement, or it may enforce the remainder of the agreement
29 without the unconscionable clause, or it may so limit the application

1 of any unconscionable clause as to avoid any unconscionable result.

2 (b) If it is claimed or appears to the court that the agreement or
3 any clause thereof may be unconscionable the parties shall be afforded
4 a reasonable opportunity to present evidence as to its setting, purpose,
5 and effect to aid the court in making the determination.

6 (c) For the purpose of this section, a charge or practice expressly
7 permitted by this Act is not in itself unconscionable.

8 Sec. 45.90.770. INTERESTS IN LAND. For purposes of the provisions
9 of secs. 770 - 790 of this Act on civil liability for violation of
10 disclosure provisions under sec. 780 of this Act and on debtor's right
11 to rescind certain transactions under sec. 785 of this Act

12 (1) consumer credit sale includes a sale of an interest in
13 land without regard to the rate of the credit service charge if the
14 sale is otherwise a consumer credit sale under sec. 75 of this Act; and

15 (2) consumer loan includes a loan primarily secured by an
16 interest in land without regard to the rate of the loan finance charge
17 if the loan is otherwise a consumer loan under sec. 365 of this Act.

18 Sec. 45.90.775. EFFECT OF VIOLATIONS ON RIGHTS OF PARTIES. (a)
19 If a creditor has violated the provisions of this Act applying to cer-
20 tain negotiable instruments under sec. 235 of this Act, or limitations
21 on the schedule of payments or loan term for regulated loans under
22 sec. 600 of this Act, the debtor is not obligated to pay the credit
23 service charge or loan finance charge, and has a right to recover from
24 the person violating this Act or from an assignee of that person's
25 rights who undertakes direct collection of payments or enforcement of
26 rights arising from the debt a penalty in an amount determined by the
27 court not in excess of three times the amount of the credit service
28 charge or loan finance charge. No action under this subsection may be
29 brought more than one year after the due date of the last scheduled

1 payment of the agreement with respect to which the violation occurred.

2 (b) If a creditor has violated the provisions of this Act applying
3 to authority to make supervised loans under sec. 550 of this Act, the
4 loan is void and the debtor is not obligated to pay either the principal
5 or loan finance charge. If he has paid any part of the principal or of
6 the loan finance charge, he has a right to recover the payment from the
7 person violating this Act or from an assignee of that person's rights
8 who undertakes direct collection of payments or enforcement of rights
9 arising from the debt. With respect to violations arising from loans
10 made pursuant to revolving loan accounts, no action under this subsection
11 may be brought more than two years after the violation occurred. With
12 respect to violations arising from other loans, no action under this
13 subsection may be brought more than one year after the due date of the
14 last scheduled payment of the agreement under which the charge was paid

15 (c) A debtor is not obligated to pay a charge in excess of that
16 allowed by this Act, and if he has paid an excess charge he has a right
17 to a refund. A refund may be made by reducing the debtor's obligation
18 by the amount of the excess charge. If the debtor has paid an amount
19 in excess of the lawful obligation under the agreement, the debtor may
20 recover the excess amount from the person who made the excess charge or
21 from an assignee of that person's rights who undertakes direct collec-
22 tion of payments from or enforcement of rights against debtors arising
23 from the debt.

24 (d) If a debtor is entitled to a refund and a person liable to
25 the debtor refuses to make a refund within a reasonable time after
26 demand, the debtor may recover from that person a penalty in an amount
27 determined by a court not exceeding the greater of either the amount of
28 the credit service or loan finance charge or ten times the amount of
29 the excess charge. If the creditor has made an excess charge in

1 deliberate violation of or in reckless disregard for this Act, the
2 penalty may be recovered even though the creditor has refunded the
3 excess charge. No penalty under this subsection may be recovered if
4 a court has ordered a similar penalty assessed against the same person
5 in a civil action by the administrator under sec. 865 of this Act.
6 With respect to excess charges arising from sales made pursuant to
7 revolving charge accounts or from loans made pursuant to revolving
8 loan accounts, no action under this subsection may be brought more than
9 two years after the time the excess charge was made. With respect to
10 excess charges arising from other consumer credit sales or consumer
11 loans, no action under this subsection may be brought more than one
12 year after the due date of the last scheduled payment of the agreement
13 under which the charge was made.

14 (e) Except as otherwise provided, no violation of this Act
15 impairs rights on a debt.

16 (f) If an employer discharges an employee in violation of the
17 provisions prohibiting discharge under sec. 755 of this Act, the
18 employee may within 30 days bring a civil action for recovery of wages
19 lost as a result of the violation and for an order requiring the rein-
20 statement of the employee. Damages recoverable shall not exceed lost
21 wages for six weeks.

22 (g) If the creditor establishes by a preponderance of evidence
23 that a violation is unintentional or the result of a bona fide error
24 no liability is imposed under (a), (b), and (d) of this section and
25 the validity of the transaction is not affected.

26 (h) In any case in which it is found that a creditor has violated
27 this Act, the court may award reasonable attorney's fees incurred by
28 the debtor.

29 Sec. 45.90.780. CIVIL LIABILITY FOR VIOLATION OF DISCLOSURE

1 PROVISIONS. (a) Except as otherwise provided in this section, a
2 creditor who, in violation of the provisions on disclosure under secs.
3 165 - 225 and 445 - 500 of this Act, other than the provisions on adver-
4 tising under secs. 225 and 500 of this Act, fails to disclose information
5 to a person entitled to the information under this Act is liable to that
6 person in an amount equal to the sum of

7 (1) twice the amount of the credit service or loan finance
8 charge in connection with the transaction, but the liability under
9 this paragraph shall be not less than \$100 nor more than \$1,000; and

10 (2) in the case of a successful action to enforce the liabil-
11 ity under (a)(1), the costs of the action together with reasonable
12 attorney's fees as determined by the court.

13 (b) A creditor has no liability under this section if within 15
14 days after discovering an error, and prior to the institution of an
15 action under this section or the receipt of written notice of the
16 error, the creditor notifies the person concerned of the error and
17 makes whatever adjustments in the appropriate account are necessary to
18 insure that the person will not be required to pay a credit service
19 charge or loan finance charge in excess of the amount or percentage rate
20 actually disclosed.

21 (c) A creditor may not be held liable in any action brought under
22 this section for a violation of this Act if the creditor shows by a
23 preponderance of evidence that the violation was not intentional and
24 resulted from a bona fide error notwithstanding the maintenance of
25 procedures reasonably adapted to avoid the error.

26 (d) Any action which may be brought under this section against
27 the original creditor in any credit transaction involving a security
28 interest in land may be maintained against any subsequent assignee of
29 the original creditor where the assignee, its subsidiaries, or

1 affiliates were in a continuing business relationship with the original
2 creditor either at the time the credit was extended or at the time of
3 the assignment, unless the assignment was involuntary, or the assignee
4 shows by a preponderance of evidence that it did not have reasonable
5 grounds to believe that the original creditor was engaged in violations
6 of this Act and that it maintained procedures reasonably adapted to
7 apprise it of the existence of the violations.

8 (e) No action under this section may be brought more than one
9 year after the date of the occurrence of the violation.

10 Sec. 45.90.785. DEBTOR'S RIGHT TO RESCIND CERTAIN TRANSACTIONS.

11 (a) Except as otherwise provided in this section, in the case of a
12 consumer credit sale or consumer loan with respect to which a security
13 interest is retained or acquired in an interest in land which is used or
14 expected to be used as the residence of the person to whom credit is
15 extended, the debtor shall have the right to rescind the transaction
16 until midnight of the third business day following the consummation of
17 the transaction or the delivery of the disclosures required under this
18 section and all other material disclosures required by this Act, which-
19 ever is later, by notifying the creditor, in accordance with rules of
20 the administrator, of his intention to do so. The creditor shall
21 clearly and conspicuously disclose, in accordance with rules of the
22 administrator, to the debtor in a transaction subject to this section
23 the rights of the debtor under this section. The creditor shall also
24 provide, in accordance with rules of the administrator, an adequate
25 opportunity to the obligor to exercise his right to rescind any
26 transaction subject to this section.

27 (b) When a debtor exercises his right to rescind under (a) of
28 this section, he is not liable for any credit service charge, loan
29 finance charge, or other charge, and any security interest given by the

1 debtor becomes void upon the rescission. Within 10 days after receipt
2 of a notice of rescission, the creditor shall return to the debtor the
3 money or property given as earnest money, down payment, or otherwise,
4 and shall take any action necessary or appropriate to reflect the ter-
5 mination of any security interest created under the transaction. If
6 the creditor has delivered property to the debtor, the debtor may retain
7 possession of it. Upon the performance of the creditor's obligations
8 under this section, the debtor shall tender the property to the creditor,
9 except that if return of the property in kind would be impractical or
10 inequitable, the debtor shall tender its reasonable value. Tender shall
11 be made at the location of the property or at the residence of the
12 debtor, at the option of the debtor. If the creditor does not take
13 possession of the property within 10 days after tender by the debtor,
14 ownership of the property vests in the debtor without obligation on his
15 part to pay for it.

16 (c) Notwithstanding any rule of evidence, written acknowledgement
17 of receipt of any disclosure required under this Act by a person to whom
18 a statement is required to be given under this section does no more
19 than create a rebuttable presumption of delivery thereof.

20 (d) The administrator may, if he finds that the action is neces-
21 sary in order to permit homeowners to meet bona fide personal financial
22 emergencies, prescribe rules authorizing the modification or waiver of
23 any rights created under this section to the extent and under the
24 circumstances set forth in those rules.

25 (e) This section does not apply to the creation or retention of
26 a first lien against a dwelling to finance the acquisition of that
27 dwelling.

28 Sec. 45.90.790. REFUNDS AND PENALTIES AS SET-OFF TO OBLIGATION.
29 Refunds or penalties to which the debtor is entitled under secs. 770 -

1 790 of this Act may be set off against the debtor's obligation, and
2 may be raised as a defense to a suit on the obligation without regard
3 to the time limitations prescribed by secs. 770 - 790 of this Act.

4 Sec. 45.90.795. WILFUL VIOLATIONS. (a) A supervised lender who
5 wilfully makes charges in excess of those permitted by secs. 545 - 610
6 of this Act is guilty of a misdemeanor and upon conviction may be
7 sentenced to pay a fine not exceeding \$1,000, or to imprisonment not
8 exceeding one year, or both.

9 (b) A person, other than a supervised financial organization, who
10 wilfully engages in the business of making supervised loans without a
11 license in violation of the provisions of this Act applying to authority
12 to make supervised loans under sec. 550 of this Act is guilty of a
13 misdemeanor and upon conviction may be sentenced to pay a fine not
14 exceeding \$1,000, or to imprisonment not exceeding one year, or both.

15 (c) A person who wilfully engages in the business of making con-
16 sumer credit sales, consumer leases, or consumer loans, or of taking
17 assignments of rights against debtors arising therefrom and undertakes
18 direct collection of payments or enforcement of these rights, without
19 complying with the provisions of this Act concerning notification under
20 sec. 885 of this Act or payment of fees under sec. 890 of this Act is
21 guilty of a misdemeanor and upon conviction may be sentenced to pay a
22 fine not exceeding \$100.

23 Sec. 45.90.800. DISCLOSURE VIOLATIONS. A person who knowingly and
24 wilfully violates the provisions on disclosure under secs. 165 - 225
25 or secs. 445 - 500 of this Act is guilty of a misdemeanor and upon con-
26 viction may be sentenced to pay a fine not exceeding \$1,000, or to
27 imprisonment not exceeding one year, or both.

28 ARTICLE 6. ADMINISTRATION.

29 Sec. 45.90.805. SHORT TITLE. This Article shall be known and may

1 be cited as Uniform Consumer Credit Code -- Administration.

2 Sec. 45.90.810. APPLICABILITY. Secs. 805 - 875 of this Act
3 apply to persons who in this state

4 (1) make or solicit consumer credit sales, consumer leases,
5 consumer loans, consumer related sales under sec. 335 of this Act and
6 consumer related loans under sec. 620 of this Act; or

7 (2) directly collect payments from or enforce rights against
8 debtors arising from sales, leases, or loans specified in (1) of this
9 section, wherever they are made.

10 Sec. 45.90.815. ADMINISTRATOR. "Administrator" means the Depart-
11 ment of Commerce.

12 Sec. 45.90.820. POWERS OF ADMINISTRATOR; HARMONY WITH FEDERAL
13 REGULATIONS; RELIANCE ON RULES; DUTY TO REPORT. (a) In addition to
14 other powers granted by this Act, the administrator may within the
15 limitations provided by law

16 (1) receive and act on complaints, take action designed to
17 obtain voluntary compliance with this Act, or commence proceedings on
18 his own initiative;

19 (2) counsel persons and groups on their rights and duties
20 under this Act;

21 (3) establish programs for the education of consumers with
22 respect to credit practices and problems;

23 (4) make studies appropriate to effectuate the purposes and
24 policies of this Act and make the results available to the public;

25 (5) adopt, amend, and repeal substantive rules when specifi-
26 cally authorized by this Act, and adopt, amend, and repeal procedural
27 rules to carry out the provisions of this Act;

28 (6) appoint any necessary attorneys, hearing examiners,
29 clerks, and other employees and agents and fix their compensation, and

1 authorize attorneys appointed under this section to appear for and
2 represent the administrator in court.

3 (b) To keep the administrator's rules in harmony with the Federal
4 Consumer Credit Protection Act and the regulations prescribed from time
5 to time under that Act by the Board of Governors of the Federal Reserve
6 System and with the rules of administrators in other jurisdictions which
7 enact the Uniform Consumer Credit Code, the administrator, so far as is
8 consistent with the purposes, policies and provisions of this Act, shall

9 (1) before adopting, amending, and repealing rules, advise
10 and consult with administrators in other jurisdictions which enact the
11 Uniform Consumer Credit Code; and

12 (2) in adopting, amending, and repealing rules, take into
13 consideration:

14 (A) the regulations so prescribed by the Board of
15 Governors of the Federal Reserve System; and

16 (B) the rules of administrators in other jurisdictions
17 which enact the Uniform Consumer Credit Code.

18 (c) Except for refund of an excess charge, no liability is imposed
19 under this Act for an act done or omitted in conformity with a rule of
20 the administrator notwithstanding that after the act or omission the
21 rule may be amended or repealed or be determined by judicial or other
22 authority to be invalid for any reason.

23 (d) The administrator shall report annually on or before January
24 1 to the governor and legislature on the operation of his office, on
25 the use of consumer credit in the state, and on the problems of persons
26 of small means obtaining credit from persons regularly engaged in
27 extending sales or loan credit. For the purpose of making the report,
28 the administrator is authorized to conduct research and make appropri-
29 ate studies. The report shall include a description of the examination

1 and investigation procedures and policies of his office, a statement of
2 policies followed in deciding whether to investigate or examine the
3 offices of credit suppliers subject to this Act, a statement of the
4 number and percentages of offices which are periodically investigated
5 or examined, a statement of the types of consumer credit problems of
6 both creditors and debtors which have come to his attention through
7 his examinations and investigations and the disposition of them under
8 existing law, a statement of the extent to which the rules of the admin-
9 istrator under this Act are not in harmony with the regulations pre-
10 scribed by the Board of Governors of the Federal Reserve System under
11 the Federal Consumer Credit Protection Act or the rules of administrators
12 in other jurisdictions which enact the Uniform Consumer Credit Code and
13 the reasons for such variations, and a general statement of the
14 activities of his office and of others to promote the purposes of this
15 Act. The report shall not identify the creditors against whom action
16 is taken by the administrator.

17 Sec. 45.90.825. ADMINISTRATIVE POWERS WITH RESPECT TO SUPERVISED
18 FINANCIAL ORGANIZATIONS. (a) With respect to supervised financial
19 organizations, the powers of examination and investigation under secs.
20 570 and 830 of this Act and administrative enforcement under sec. 840
21 of this Act shall be exercised by the official or agency to whose
22 supervision the organization is subject. All other powers of the admin-
23 istrator under this Act may be exercised by him with respect to a
24 supervised financial organization.

25 (b) If the administrator receives a complaint or other information
26 concerning non-compliance with this Act by a supervised financial organ-
27 ization, he shall inform the official or agency having supervisory
28 authority over the organization concerned. The administrator may
29 request information about supervised financial organizations from the

1 officials or agencies supervising them.

2 (c) The administrator and any official or agency of this state
3 having supervisory authority over a supervised financial organization
4 are authorized and directed to consult and assist one another in main-
5 taining compliance with this Act. They may jointly pursue investigations,
6 prosecute suits, and take other official action, as they consider
7 appropriate, if either of them is otherwise empowered to take the
8 action.

9 Sec. 45.90.830. INVESTIGATORY POWERS. (a) If the administrator
10 has probable cause to believe that a person has engaged in an act which
11 is subject to action by the administrator, he may make an investigation
12 to determine whether the act has been committed, and, to the extent
13 necessary for this purpose, may administer oaths or affirmations, and
14 upon his own motion or upon request of any party may subpoena witnesses
15 compel their attendance, adduce evidence, and require the production of
16 any matter which is relevant to the investigation, including the exist-
17 ence, description, nature, custody, condition, and location of any
18 books, documents, or other tangible things and the identity and location
19 of persons having knowledge of relevant facts, or any other matter
20 reasonably calculated to lead to the discovery of admissible evidence.

21 (b) If the person's records are located outside this state, the
22 person shall, at his option, either make them available to the adminis-
23 trator at a convenient location within this state, or pay the reasonable
24 and necessary expenses for the administrator or his representative to
25 examine them at the place where they are maintained. The administrator
26 may designate representatives, including comparable officials of the
27 state in which the records are located, to inspect them on his behalf.

28 (c) Upon failure without lawful excuse to obey a subpoena or to
29 give testimony and upon reasonable notice to all persons affected

1 thereby, the administrator may apply to the superior court for an order
2 compelling compliance.

3 (d) The administrator shall not make public the name or identity
4 of a person whose acts or conduct he investigates under this section or
5 the facts disclosed in the investigation, but this subsection does not
6 apply to disclosures in actions or enforcement proceedings under this
7 Act.

8 Sec. 45.90.835. APPLICATION OF ADMINISTRATIVE PROCEDURE ACT.
9 Except as otherwise provided, the Administrative Procedure Act applies
10 to and governs all administrative action taken by the administrator
11 under secs. 805 - 960 or secs. 545 - 610 of this Act.

12 Sec. 45.90.840. ADMINISTRATIVE ENFORCEMENT ORDERS. (a) After
13 notice and hearing the administrator may order a creditor or a person
14 acting in his behalf to cease and desist from engaging in violations of
15 this Act. A respondent aggrieved by an order of the administrator may
16 obtain judicial review of the order and the administrator may obtain an
17 order of the court for enforcement of its order in the superior court.
18 The proceeding for review or enforcement is initiated by filing a peti-
19 tion in the court. Copies of the petition shall be served upon all
20 parties of record.

21 (b) Within 30 days after service of the petition for review upon
22 the administrator, or within any further time the court may allow, the
23 administrator shall transmit to the court the original or a certified
24 copy of the entire record upon which the order is based, including any
25 transcript of testimony, which need not be printed. By stipulation of
26 all parties to the review proceeding, the record may be shortened.
27 After hearing, the court may (1) reverse or modify the order if the
28 findings of fact of the administrator are clearly erroneous in view of
29 the reliable, probative, and substantial evidence on the whole record,

1 (2) grant any temporary relief or restraining order it considers just,
2 and (3) enter an order enforcing, modifying, and enforcing as modified,
3 or setting aside in whole or in part the order of the administrator, or
4 remanding the case to the administrator for further proceedings.

5 (c) An objection not urged at the hearing shall not be considered
6 by the court unless the failure to urge the objection is excused for
7 good cause shown. A party may move the court to remand the case to the
8 administrator in the interest of justice for the purpose of adducing
9 additional specified and material evidence and seeking findings thereon
10 upon good cause shown for the failure to adduce this evidence before
11 the administrator.

12 (d) The jurisdiction of the court shall be exclusive and its final
13 judgment or decree shall be subject to review by the supreme court.
14 The administrator's copy of the testimony shall be available at reason-
15 able times to all parties for examination without cost.

16 (e) A proceeding for review under this section must be initiated
17 within 30 days after a copy of the order of the administrator is
18 received. If no proceeding is so initiated, the administrator may ob-
19 tain a decree of the superior court for enforcement of its order upon
20 a showing that the order was issued in compliance with this section,
21 that no proceeding for review was initiated within 30 days after copy
22 of the order was received, and that the respondent is subject to the
23 jurisdiction of the court.

24 (f) With respect to unconscionable agreements or fraudulent or
25 unconscionable conduct by the respondent, the administrator may not
26 issue an order under this section but may bring a civil action for an
27 injunction under sec. 855 of this Act.

28 Sec. 45.90.845. ASSURANCE OF DISCONTINUANCE. If it is claimed
29 that a person has engaged in conduct subject to an order by the

1 administrator under sec. 840 of this Act or by a court under secs.
2 850 - 860 of this Act, the administrator may accept an assurance in
3 writing that the person will not engage in the conduct in the future.
4 If a person giving an assurance of discontinuance fails to comply with
5 its terms, the assurance is evidence that prior to the assurance he
6 engaged in the conduct described in the assurance.

7 Sec. 45.90.850. INJUNCTIONS AGAINST VIOLATIONS OF ACT. The admin-
8 istrator may bring a civil action to restrain a person from violating
9 this Act and for other appropriate relief.

10 Sec. 45.90.855. INJUNCTIONS AGAINST UNCONSCIONABLE AGREEMENTS AND
11 FRAUDULENT OR UNCONSCIONABLE CONDUCT. (a) The administrator may bring
12 a civil action to restrain a creditor or a person acting in his behalf
13 from engaging in a course of

14 (1) making or enforcing unconscionable terms or provisions
15 of consumer credit sales, consumer leases, or consumer loans;

16 (2) fraudulent or unconscionable conduct in inducing debtors
17 to enter into consumer credit sales, consumer leases, or consumer loans
18 or

19 (3) fraudulent or unconscionable conduct in the collection of
20 debts arising from consumer credit sales, consumer leases, or consumer
21 loans.

22 (b) In an action brought under this section the court may grant
23 relief only if it finds

24 (1) that the respondent has made unconscionable agreements
25 or has engaged or is likely to engage in a course of fraudulent or
26 unconscionable conduct;

27 (2) that the agreements or conduct of the respondent has
28 caused or is likely to cause injury to consumers; and

29 (3) that the respondent has been able to cause or will be

1 able to cause the injury primarily because the transactions involved
2 are credit transactions.

3 (c) In applying this section, consideration shall be given to each
4 of the following factors, among others:

5 (1) belief by the creditor at the time consumer credit sales,
6 consumer leases, or consumer loans are made that there was no reasonable
7 probability of payment in full of the obligation by the debtor;

8 (2) in the case of consumer credit sales or consumer leases,
9 knowledge by the seller or lessor at the time of the sale or lease of
10 the inability of the buyer or lessee to receive substantial benefits
11 from the property or services sold or leased;

12 (3) in the case of consumer credit sales or consumer leases
13 gross disparity between the price of the property or services sold or
14 leased and the value of the property or services measured by the price
15 at which similar property or services are readily obtainable in credit
16 transactions by like buyers or lessees;

17 (4) the fact that the creditor contracted for or received
18 separate charges for insurance with respect to consumer credit sales or
19 consumer loans with the effect of making the sales or loans, considered
20 as a whole, unconscionable; and

21 (5) the fact that the respondent has knowingly taken advant-
22 age of the inability of the debtor reasonably to protect his interests
23 by reason of physical or mental infirmities, ignorance, illiteracy or
24 inability to understand the language of the agreement, or similar
25 factors.

26 (d) In an action brought under this section, a charge or practice
27 expressly permitted by this Act is not in itself unconscionable.

28 Sec. 45.90.860. TEMPORARY RELIEF. With respect to an action
29 brought to enjoin violations of the Act under sec. 850 of this Act or

1 unconscionable agreements or fraudulent or unconscionable conduct under
2 sec. 855 of this Act, the administrator may apply to the court for
3 appropriate temporary relief against a respondent, pending final deter-
4 mination of proceedings. If the court finds after a hearing held upon
5 notice to the respondent that there is reasonable cause to believe that
6 the respondent is engaging in or is likely to engage in conduct sought
7 to be restrained, it may grant any temporary relief or restraining order
8 it considers appropriate.

9 Sec. 45.90.865. CIVIL ACTIONS BY ADMINISTRATOR. (a) After
10 demand, the administrator may bring a civil action against a creditor
11 for making or collecting charges in excess of those permitted by this
12 Act. An action may relate to transactions with more than one debtor.
13 If it is found that an excess charge has been made, the court shall
14 order the respondent to refund to the debtor or debtors the amount of
15 the excess charge. If a creditor has made an excess charge in deliber-
16 ate violation of or in reckless disregard for this Act, or if a credit-
17 or has refused to refund an excess charge within a reasonable time
18 after demand by the debtor or the administrator, the court may also
19 order the respondent to pay to the debtor or debtors a civil penalty
20 in an amount determined by the court not in excess of the greater of
21 either the amount of the credit service or loan finance charge or ten
22 times the amount of the excess charge. Refunds and penalties to which
23 the debtor is entitled under this subsection may be set off against the
24 debtor's obligation. If a debtor brings an action against a creditor
25 to recover an excess charge or civil penalty, an action by the adminis-
26 trator to recover for the same excess charge or civil penalty shall be
27 stayed while the debtor's action is pending and shall be dismissed if
28 the debtor's action is dismissed with prejudice or results in a final
29 judgment granting or denying the debtor's claim. With respect to

1 excess charges arising from sales made pursuant to revolving charge
2 accounts or from loans made pursuant to revolving loan accounts, no
3 action under this subsection may be brought more than two years after
4 the time the excess charge was made. With respect to excess charges
5 arising from other consumer credit sales or consumer loans, no action
6 under this subsection may be brought more than one year after the due
7 date of the last scheduled payment of the agreement under which the
8 charge was made. If the creditor establishes by a preponderance of
9 evidence that a violation is unintentional or the result of a bona fide
10 error, no liability to pay a penalty shall be imposed under this sub-
11 section.

12 (b) The administrator may bring a civil action against a creditor
13 or a person acting in his behalf to recover a civil penalty for wilfully
14 violating this Act, and if the court finds that the defendant has engaged
15 in a course of repeated and wilful violations of this Act, it may assess
16 a civil penalty of no more than \$5,000. No civil penalty under this
17 subsection may be imposed for violations of this Act occurring more
18 than two years before the action is brought or for making unconscionable
19 agreements or engaging in a course of fraudulent or unconscionable con-
20 duct.

21 Sec. 45.90.870. JURY TRIAL. In an action brought by the adminis-
22 trator under this Act, he has no right to trial by jury.

23 Sec. 45.90.875. DEBTORS' REMEDIES NOT AFFECTED. The grant of
24 powers to the administrator in secs. 805 - 875 of this Act does not
25 affect remedies available to debtors under this Act or under other
26 principles of law or equity.

27 Sec. 45.90.880. APPLICABILITY. Secs. 880 - 890 of this Act apply
28 to a person making in this state consumer credit sales, consumer leases,
29 or consumer loans and to a person having an office or place of business

1 in this state who takes assignments of and undertakes direct collection
2 of payments from or enforcement of rights against debtors arising from
3 these sales, leases, or loans.

4 Sec. 45.90.885. NOTIFICATION. (a) Persons subject to secs.
5 880 - 890 of this Act shall file notification with the administrator
6 within 30 days after commencing business in this state, and, thereafter
7 on or before January 31 of each year. The notification shall state:

8 (1) name of the person;

9 (2) name in which business is transacted if different from
10 (a)(1) of this section;

11 (3) address of principal office, which may be outside this
12 state;

13 (4) address of all offices or retail stores, if any, in this
14 state at which consumer credit sales, consumer leases, or consumer
15 loans are made, or in the case of a person taking assignments of obli-
16 gations, the offices or places of business within this state at which
17 business is transacted;

18 (5) if consumer credit sales, consumer leases, or consumer
19 loans are made otherwise than at an office or retail store in this
20 state, a brief description of the manner in which they are made;

21 (6) address of designated agent upon whom service of process
22 may be made in this state under sec. 55 of this Act; and

23 (7) whether regulated or supervised loans or both are made.

24 (b) If information in a notification becomes inaccurate after
25 filing, no further notification is required until the following Janu-
26 ary 31.

27 Sec. 45.90.890. FEES. (a) A person required to file notification
28 shall on or before January 31 of each year pay to the administrator
29 an annual fee of \$10 for that year.

1 (b) Persons required to file notification who are sellers, lessors,
2 or lenders shall pay an additional fee at the time and in the manner
3 stated in (a) of this section of \$10 for each \$100,000, or part there-
4 of, in excess of \$100,000, of the original unpaid balances arising
5 from consumer credit sales, consumer leases, and consumer loans made
6 in this state within the preceding calendar year and held either by the
7 seller, lessor, or lender for more than 30 days after the inception of
8 the sale, lease, or loan giving rise to the obligations, or by an
9 assignee who has not filed notification. A refinancing of a sale,
10 lease, or loan resulting in an increase in the amount of an obligation
11 is considered a new sale, lease, or loan to the extent of the amount
12 of the increase.

13 (c) Persons required to file notification who are assignees shall
14 pay an additional fee at the time and in the manner stated in (a) of
15 this section of \$10 for each \$100,000, or part thereof, of the unpaid
16 balances at the time of the assignment of obligations arising from
17 consumer credit sales, consumer leases, and consumer loans made in this
18 state taken by assignment during the preceding calendar year, but an
19 assignee need not pay a fee with respect to an obligation on which the
20 assignor or other person has already paid a fee.

21 Sec. 45.90.895. COUNCIL OF ADVISORS ON CONSUMER CREDIT. (a)
22 There is hereby created the Council of Advisors on Consumer Credit con-
23 sisting of 16 members, who shall be appointed by the governor. One
24 of the advisors shall be designated by the governor as chairman. In
25 appointing members of the council, the governor shall seek to achieve
26 a fair representation from the various segments of the consumer credit
27 industry and the public.

28 (b) The term of office of each member of the council is 4 years.
29 Of those members first appointed, four shall be appointed for a term

1 of 1 year, four for a term of 2 years, four for a term of 3 years, and
2 four for a term of 4 years. A member chosen to fill a vacancy arising
3 otherwise than by expiration of term shall be appointed for the unex-
4 pired term of the member whom he is to succeed. A member of the council
5 is eligible for reappointment.

6 (c) Members of the council shall serve without compensation but
7 are entitled to reimbursement of expenses incurred in the performance
8 of their duties.

9 Sec. 45.90.900. FUNCTION OF COUNCIL; CONFLICT OF INTEREST. The
10 council shall advise and consult with the administrator concerning the
11 exercise of his powers under this Act and may make recommendations to
12 him. Members of the council may assist the administrator in obtaining
13 compliance with this Act. Since it is an objective of secs. 895 -
14 905 of this Act to obtain competent representatives of creditors and
15 the public to serve on the council and to assist and cooperate with the
16 administrator in achieving the objectives of this Act, service on the
17 council shall not in itself constitute a conflict of interest regardless
18 of the occupations or associations of the members.

19 Sec. 45.90.905. MEETINGS. The council and the administrator shall
20 meet together at a time and place designated by the chairman at least
21 twice each year. The council may hold additional meetings when called
22 by the chairman.

23 Sec. 45.90.910. APPLICABILITY AND SCOPE. Secs. 910 - 980 of this
24 Act apply to the administrator, prescribe the procedures to be observed
25 by him in exercising his powers under this Act, and supplement the pro-
26 visions of secs. 545 - 610 and 805 - 875 of this Act.

27 Sec. 45.90.915. DEFINITIONS. In secs. 910 - 980 of this Act

28 (1) "Contested case" means a proceeding, including but not
29 restricted to one under the provisions on administrative enforcement

1 orders under sec. 840(a) of this Act and licensing, in which the legal
2 rights, duties, or privileges of a party are required by law to be
3 determined by the administrator after an opportunity for hearing.

4 (2) "License" means a license authorizing a person to make
5 supervised loans under sec. 550 of this Act.

6 (3) "Licensing" includes the administrator's process respect-
7 ing the grant, denial, revocation, suspension, annulment, withdrawal,
8 or amendment of a license.

9 (4) "Party" means the administrator and each person named
10 or admitted as a party, or who is aggrieved by action taken and seeks
11 to be admitted as a party.

12 (5) "Rule" means each rule specifically authorized by this
13 Act that applies generally and implements, interprets or prescribes
14 law or policy, or each statement by the administrator that applies
15 generally and describes the administrator's procedure or practice
16 requirements or the organization of his office. The term includes
17 the amendment or repeal of a prior rule but does not include

18 (A) statements concerning only the internal management
19 of the administrator's office and not affecting private rights or
20 procedures available to the public;

21 (B) declaratory rulings issued under sec. 950 of this
22 Act;

23 (C) intra-office memoranda.

24 Sec. 45.90.920. PUBLIC INFORMATION; ADOPTION OF RULES; AVAILA-
25 BILITY OF RULES AND ORDERS. (a) In addition to other rule-making
26 requirements imposed by law, the administrator shall:

27 (1) adopt as a rule a description of the organization of his
28 office, stating the general course and method of the operations of his
29 office and the methods whereby the public may obtain information or

1 make submissions or requests;

2 (2) adopt rules of practice setting forth the nature and
3 requirements of all formal and informal procedures available, including
4 a description of all forms and instructions used by the administrator
5 or his office;

6 (3) make available for public inspection all rules and all
7 other written statements of policy or interpretations formulated,
8 adopted, or used by the administrator in the discharge of his functions;

9 (4) make available for public inspection all final orders,
10 decisions, and opinions.

11 (b) No rule, order, or decision of the administrator is valid
12 or effective against any person or party, nor may it be invoked by the
13 administrator for any purpose, until it has been made available for
14 public inspection as herein required. This provision is not applicable
15 in favor of any person or party who has actual knowledge thereof.

16 Sec. 45.90.925. PROCEDURE FOR ADOPTION OF RULES. (a) Prior to
17 the adoption, amendment, or repeal of any rule, the administrator shall

18 (1) give at least 20 days' notice of his intended action.
19 The notice shall include a statement of either the terms or substance
20 of the intended action or a description of the subjects and issues
21 involved, and the time when, the place where, and the manner in which
22 interested persons may present their views thereon. The notice shall
23 be mailed to all persons who have made timely request of the adminis-
24 trator for advance notice of his rule-making proceedings and shall be
25 published.

26 (2) afford all interested persons reasonable opportunity to
27 submit data, views, or arguments, orally or in writing. In case of
28 substantive rules, opportunity for oral hearing must be granted if
29 requested by 25 persons, by a governmental subdivision or agency, or by

1 an association having not less than 25 members. The administrator
2 shall consider fully all written and oral submissions respecting the
3 proposed rule. Upon adoption of a rule the administrator, if requested
4 to do so by an interested person either prior to adoption or within
5 30 days thereafter, shall issue a concise statement of the principal
6 reasons for and against its adoption, incorporating therein his reasons
7 for overruling the considerations urged against its adoption.

8 (b) No rule is valid unless adopted in substantial compliance with
9 this section. A proceeding to contest any rule on the ground of non-
10 compliance with the procedural requirements of this section must be
11 commenced within two years from the effective date of the rule.

12 Sec. 45.90.930. DECLARATORY RULINGS BY ADMINISTRATOR. The admin-
13 istrator shall provide by rule for the filing and prompt disposition
14 of petitions or declaratory rulings as to the applicability of any
15 statutory provision or of any rule of the administrator. Rulings dis-
16 posing of petitions have the same status as decisions or orders in
17 contested cases.

18 Sec. 45.90.935. CONTESTED CASES; NOTICE; HEARING; RECORDS. (a)
19 In a contested case, all parties shall be afforded an opportunity for
20 hearing after reasonable notice.

21 (b) The notice shall include:

22 (1) a statement of the time, place, and nature of the
23 hearing;

24 (2) a statement of the legal authority and jurisdiction under
25 which the hearing is to be held;

26 (3) a reference to the particular provisions of the statutes
27 and rules involved;

28 (4) a short and plain statement of the matters asserted. If
29 the administrator or other party is unable to state the matters in

1 detail at the time the notice is served, the initial notice may be
2 limited to a statement of the issues involved. Thereafter upon
3 application a more definite and detailed statement shall be furnished.

4 (c) Opportunity shall be afforded all parties to respond and
5 present evidence and argument on all issues involved.

6 (d) Unless precluded by law, informal disposition may be made
7 of any contested case by stipulation, agreed settlement, consent order,
8 or default.

9 (e) The record in a contested case shall include:

- 10 (1) all pleadings, motions, intermediate rulings;
11 (2) evidence received or considered;
12 (3) a statement of matters officially noticed;
13 (4) questions and offers of proof, objections, and rulings
14 thereon;
15 (5) proposed findings and exceptions;
16 (6) any decision, opinion, or report by the officer pre-
17 siding at the hearing;
18 (7) all staff memoranda or data submitted to the hearing
19 officer or members of the office of the administrator in connection
20 with their consideration of the case.

21 (f) Oral proceedings or any part thereof shall be transcribed
22 on request of any party, but at his expense.

23 (g) Findings of fact shall be based exclusively on the evidence
24 and on matters officially noticed.

25 Sec. 45.90.940. RULES OF EVIDENCE; OFFICIAL NOTICE. In contested
26 cases:

27 (1) irrelevant, immaterial, or unduly repetitious evidence
28 shall be excluded. The rules of evidence as applied in non-jury civil
29 cases in the superior court of this state shall be followed. When

1 necessary to ascertain facts not reasonably susceptible of proof under
2 those rules, evidence not admissible thereunder may be admitted (except
3 where precluded by statute) if it is of a type commonly relied upon by
4 reasonably prudent men in the conduct of their affairs. The adminis-
5 trator shall give effect to the rules of privilege recognized by law.
6 Objections to evidentiary offers may be made and shall be noted in the
7 record. Subject to these requirements, when a hearing will be expedited
8 and the interests of the parties will not be prejudiced substantially,
9 any part of the evidence may be received in written form;

10 (2) documentary evidence may be received in the form of
11 copies or excerpts, if the original is not readily available. Upon
12 request, parties shall be given an opportunity to compare the copy with
13 the original;

14 (3) a party may conduct cross-examinations required for a
15 full and true disclosure of the facts;

16 (4) notice may be taken of judicially cognizable facts. In
17 addition, notice may be taken of generally recognized technical or
18 scientific facts within the administrator's specialized knowledge.
19 Parties shall be notified either before or during the hearing, or by
20 reference in preliminary reports or otherwise, of the material noticed,
21 including any staff memoranda or data, and they shall be afforded an
22 opportunity to contest the material so noticed. The administrator's
23 experience, technical competence, and specialized knowledge may be
24 utilized in the evaluation of the evidence.

25 Sec. 45.90.945. DECISIONS AND ORDERS. A final decision or order
26 adverse to a party in a contested case shall be in writing or stated
27 in the record. A final decision shall include findings of fact and
28 conclusions of law, separately stated. Findings of fact, if set forth
29 in statutory language, shall be accompanied by a concise and explicit

1 statement of the underlying facts supporting the findings. If, in
2 accordance with rules of the administrator, a party submitted proposed
3 findings of fact, the decision shall include a ruling upon each pro-
4 posed findings. Parties shall be notified either personally or by
5 mail of any decision or order. Upon request a copy of the decision or
6 order shall be delivered or mailed forthwith to each party and to his
7 attorney of record.

8 Sec. 45.90.950. LICENSES. (a) When the grant or denial of a
9 license is required to be preceded by notice and opportunity for hear-
10 ing, the provisions of secs. 910 - 960 of this Act concerning contested
11 cases apply.

12 (b) No revocation, suspension, annulment, or withdrawal of a
13 license is lawful unless, prior to the institution of proceedings by
14 the administrator, he gave notice by mail to the licensee of facts or
15 conduct which warrant the intended action, and the licensee was given
16 an opportunity to show compliance with all lawful requirements for the
17 retention of the license.

18 Sec. 45.90.955. JUDICIAL REVIEW OF CONTESTED CASES. (a) A per-
19 son who has exhausted all administrative remedies available before the
20 administrator and who is aggrieved by a final decision in a contested
21 case is entitled to judicial review under secs. 910 - 960 of this Act.
22 This section does not limit utilization of or the scope of judicial
23 review available under other means of review, redress, relief, or
24 trial de novo provided by law. A preliminary, procedural, or inter-
25 mediate action or ruling of the administrator is immediately reviewable
26 if review of the final decision of the administrator would not provide
27 an adequate remedy.

28 (b) Proceedings for review are instituted by filing a petition in
29 the superior court within 30 days after mailing notice of the final

1 decision of the administrator or, if a rehearing is requested, within
2 30 days after the decision thereon. Copies of the petition shall be
3 served upon the administrator and all parties of record.

4 (c) The filing of the petition does not itself stay enforcement
5 of the decision of the administrator. The administrator may grant, or
6 the reviewing court may order, a stay upon appropriate terms.

7 (d) Within 30 days after the service of the petition, or within
8 further time allowed by the court, the administrator shall transmit to
9 the reviewing court the original or a certified copy of the entire
10 record of the proceeding under review. By stipulation of all parties
11 to the review proceedings, the record may be shortened. A party unrea-
12 sonably refusing to stipulate to limit the record may be taxed by the
13 court for the additional costs. The court may require or permit subse-
14 quent corrections or additions to the record.

15 (e) If, before the date set for hearing, application is made to
16 the court for leave to present additional evidence, and it is shown to
17 the satisfaction of the court that the additional evidence is material
18 and that there were good reasons for failure to present it in the pro-
19 ceeding before the administrator, the court may order that the addi-
20 tional evidence be taken before the administrator upon conditions deter-
21 mined by the court. The administrator may modify his findings and
22 decision by reason of the additional evidence and shall file that
23 evidence and any modifications, new findings, or decisions with the
24 reviewing court.

25 (f) The review shall be conducted by the court without a jury
26 and shall be confined to the record. In cases of alleged irregularities
27 in procedure before the administrator, not shown in the record, proof
28 thereon may be taken in the court. The court, upon request, shall hear
29 oral argument and receive written briefs.

1 (g) The court shall not substitute its judgment for that of the
2 administrator as to the weight of the evidence on questions of fact.
3 The court may affirm the decision of the administrator or remand the
4 case for further proceedings. The court may reverse or modify the
5 decision if substantial rights of the appellant have been prejudiced
6 because the administrative findings, inferences, conclusions, or
7 decisions are:

- 8 (1) in violation of constitutional or statutory provisions;
9 (2) in excess of the statutory authority of the adminis-
10 trator;
11 (3) made upon unlawful procedure;
12 (4) affected by other error of law;
13 (5) clearly erroneous in view of the reliable, probative,
14 and substantial evidence on the whole record; or
15 (6) arbitrary or capricious or characterized by abuse of
16 discretion or clearly unwarranted exercise of discretion.

17 Sec. 45.90.960. APPEALS. An aggrieved party may obtain a review
18 of any final judgment of the superior court under secs. 910 - 960 of
19 this Act by appeal to supreme court. The appeal shall be taken as in
20 other civil cases.

21 Sec. 45.90.965. CONTINUATION OF LICENSING. All persons licensed
22 or otherwise authorized under existing law on the effective date of
23 this Act are licensed to make supervised loans under this Act under
24 secs. 545 - 610 of this Act, and all provisions of those sections apply
25 to the persons so previously licensed or authorized. The administrator
26 may, but is not required to, deliver evidence of licensing to the
27 persons so previously licensed or authorized.

28 * Sec. 2. (a) Transactions entered into before this Act takes effect
29 and the rights, duties, and interests flowing from them thereafter may be

1 terminated, completed, consummated, or enforced as required or permitted by
2 any statute, rule of law, or other law amended, repealed, or modified by
3 this Act as though the repeal, amendment, or modification had not occurred,
4 but this Act applies to

5 (1) refinancings, consolidations, and deferrals made after this
6 Act takes effect of sales, leases, and loans whenever made;

7 (2) sales or loans made after this Act takes effect pursuant to
8 revolving charge accounts under sec. 95 of this Act and revolving loan
9 accounts under sec. 385 of this Act entered into, arranged, or contracted
10 for before this Act takes effect; and

11 (3) all credit transactions made before this Act takes effect
12 insofar as secs. 730 - 800 of this Act limits the remedies of creditors.

13 (b) With respect to revolving charge accounts and revolving loan
14 accounts entered into, arranged, or contracted for before this Act takes
15 effect, disclosure under the provisions of secs. 210 and 485 of this Act
16 shall be made not later than 30 days after this Act takes effect.

17 * Sec. 3. Except as otherwise provided in Sec. 2 of this Act, this
18 Act takes effect July 1, 1971.