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## Chapter Bkg 76

## SALES FINANCE COMPANIES

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**Bkg 76.01 Refund for prepayment.** (1) The buyer shall have the privilege of prepaying at any time all or any part of the unpaid time balance under an instalment contract, regardless of any provision to the contrary in the instalment contract.

(2) Whenever all of the time balance is liquidated prior to maturity by prepayment, refinancing, or termination by surrender or repossession and re-sale of the motor vehicle, the holder of the instalment sales contract shall refund to the buyer either by cash or by crediting to the obligation of the buyer the unearned portion of the time price differential, provided that if all of the time balance is liquidated, except when refinanced by the same or affiliated companies, within three months of the date of the execution of the contract an acquisition charge of 20 per cent (20%) of the time price differential but not to exceed fifteen dollars (\$15.00) may be deducted before computing the refund, provided further that the maximum required refund on prepayment in the fourth or succeeding months shall not exceed the maximum required refund on prepayment at the end of the third month of the instalment sales contract.

(3) The unearned time price differential to be refunded to the buyer on equal instalment contracts shall represent at least as great a proportion of the total time price differential as the sum of the periodic time balances after the date of prepayment bears to the sum of all periodic time balances under the schedule of payments in the original instalment contract, which is referred to as the sum of the digits or "78" method. On contracts payable in irregular or unequal instalments the refund shall be computed proportionately having due regard to the amount or irregularity of the instalment. In computing the refund the licensee shall be entitled to retain a minimum charge of \$15.00 which shall include the acquisition charge and the earned time price differential.

(4) In computing the refund the licensee may charge for a full month when a fractional month period in excess of 15 days has elapsed. If less than 16 days have elapsed a charge may be made for one-half month, except in the case of the first month of an instalment contract, when a full month may be charged, or \$15.00, whichever is greater.

**Bkg 76.02 Default, delinquency, repossession, transfer and extension charges.** (1) In case of default lasting more than 10 days, the licensee may charge 1% of the amount in default, and if the default lasts more than 20 days the licensee may charge an additional 1%

for each succeeding period of 20 days or fraction thereof, but no default charge may exceed 5% on any instalment. Such default charges may be collected, when earned, during the term of the contract, or may be accumulated and collected at final maturity, or at the time of final payment under the contract. Such default charge shall not be collected on any payment in default because of any acceleration provision in the contract.

(2) If the instalment contract provides that the buyer shall give notice to and obtain written consent from the holder of the contract to move the goods from the county in which first kept for use to another county or state, failure of the buyer to obtain such written consent shall entitle the holder of the contract to recover, in addition to the default charges, any reasonable out-of-pocket expenses incurred in collection.

(3) Repossession charges shall not exceed those provided for in Chapter 122, Wis. Stats., the uniform conditional sales law.

(4) The charge for extending one or more instalments or for refinancing an instalment contract shall be limited to 10% per annum, simple interest, by contract.

(5) Whenever a licensee shall permit a buyer to sell his equity in a motor vehicle on which the licensee holds a retail instalment contract, the licensee may make a charge of not to exceed \$5.00 for transferring the account on its records.

**Bkg 76.03 Form of statement to be furnished buyer by retail seller.** The statement to be furnished the buyer under section 218.01 (6) (b), Wis. Stats., as amended, shall be set forth substantially as follows:

(1) Name and address of retail seller and retail buyer, and the date of the transaction.

(2) Concise description of car purchased and a description of the car traded in.

(3) Cash selling price of car, which may include other charges such as accessories or special equipment ordered by the buyer.

(4) Cash down payment, allowance on used car traded in, and cash to be paid on delivery or at a later date, each to be stated separately.

(5) Term, total amount of premium and summary of automobile physical damage insurance coverage that may be required by the retail seller to protect his equity in the car sold. In the event double coverage collision insurance cannot be procured for the buyer, single interest collision insurance coverage may be procured for him, provided he be so notified. If he can procure his own insurance within 25 days through a company licensed in Wisconsin, there shall be no charge for the single interest collision insurance coverage.

(6) Unpaid cash price balance.

(7) Term and summary of any other insurance coverage included, together with the amount of the premium charged the buyer for the term of the contract, itemized separately for each kind of insurance which the seller shall not require but which the buyer agrees to have the seller procure for him.

(8) Unpaid balance to be financed.

(9) Time price differential, which includes all charges for originating and handling the time sale transaction, such as filing and record-

ing fees, etc., and is exclusive of insurance, default, delinquency and repossession charges.

(10) Time balance.

(11) Amount, date and the number of instalments necessary to repay the time balance.

**Bkg 76.04 Change of year model.** For the purposes of section 218.01 (6) (b), Wis. Stats., classes 2 through 4 the year model designated by the manufacturer shall be considered as having changed on January 1 each year.

**Bkg 76.99 Revocation of license.** That, except as a result of an excusable error, failure to comply with the foregoing rules and regulations shall be considered unconscionable and an unfair trade practice shall be grounds for the revocation of license.