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1995 ASSEMBLY BILL 40

January 26, 1995 – Introduced by Representatives Musser, Zukowski, Lehman, Turner, Harsdorf, Travis, Vander Loop, Kreuser, Owens, Gronemus, R. Young, Boyle, Albers, Wirch, Bock, Ott, Wilder, Freese, Notestein, Brandemuehl, Ziegelbauer and Hasenohrl, cosponsored by Senators Drzewiecki, Wineke, Chvala, Cowles and Panzer. Referred to Committee on Financial Institutions.

AN ACT to repeal and recreate 45.79 (4) (c) of the statutes, relating to: requiring the payment of interest on escrow accounts on veteran mortgage loans.

Analysis by the Legislative Reference Bureau

Current law exempts lenders from paying interest on escrow accounts on loans made under the veterans mortgage loan program. This bill requires those lenders to pay interest on any escrow account on loans made under the veterans mortgage loan program. The amount of interest paid is a variable rate calculated as the average of the regular passbook account interest rate paid by financial institutions.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

SECTION 1. 45.79 (4) (c) of the statutes is repealed and recreated to read:

45.79 (4) (c) Notwithstanding s. 138.052 (8), a bank, credit union, savings bank, savings and loan association or mortgage banker that originates a loan under this section beginning on the effective date of this paragraph [revisor inserts date], shall pay interest on the outstanding principal balance on an escrow account to ensure the payment of taxes or insurance at a rate equal to the interest rate published under s. 138.052 (5) (am) 2. c.

11 (END)