



**State of Wisconsin**  
*Department of Financial Institutions*

Scott Walker, **Governor**

Peter Bildsten, **Secretary**

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**Payday Lending 2009 Wisconsin Act 405  
Implementation of New Rule Effective June 1, 2011**

(Madison) Last year the Wisconsin Legislature created 2009 Wisconsin Act 405. The Act requires Wisconsin Department of Financial Institutions (DFI), the Division of Banking, to regulate payday lenders and establish uniform rules. In response to Act 405, the Division of Banking has established a rule to help provide definition and clarity for payday lenders, which will go into effect June 1, 2011.

The purpose of the rule is to establish clear standards and requirements for payday lenders. The rule includes notice of repayment guidelines and other protections to payday lending customers. Database requirements for the secure entry, retention and transmission of customer information are also defined in the rule.

“We believe the rule creates a reasonable balance, both protecting consumers and allowing the industry to offer loans that are fulfilling a clear marketplace demand,” said Secretary Peter Bildsten.

The rule adds clarity to a number of issues, including:

- Defining the types of loans covered and notice as to what practices are prohibited.
- Providing the industry with clear and itemized requirements for disclosures, repayment plans and standard calculations for income determination.
- Providing for the safe and secure transmission of payday lending transactions into a database.
- Addressing permissible fees and default matters.

It is also important to note that the statutes and rule include many consumer protections, such as requiring that the loan agreement disclose the repayment plan options, the 24 hour right to rescind the loans, and a limit of one rollover per loan. Click the following link to view the new rule:

<http://www.wdfi.org/resources/indexed/site/fi/lfs/NewRulePaydayLending.pdf>

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