



July 9, 2015

The Honorable Scott Walker  
Governor of Wisconsin  
115 East Capitol  
Madison WI 53702

Dear Governor Walker:

On behalf of our respective organizations, we respectfully request that you veto the proposed amendments to Wis. Stat. sec. 138.14(6) found in Sections 3443f, 3443h, 3443j, and 3443m of SB 21, relating to the authorization of payday lender organizations to conduct additional businesses and services, for the following reasons:

1. **As written, Section 3443m (sec. 138.14(6)(b)e and f) creates an unlimited scope of authority for payday lenders not given to any other financial institution.** It permits payday lenders to engage in any business they wish as long as they obtain a license, if one is necessary. The public policy issues created by this unlimited expansion of authority deserve thoughtful consideration that could not be given in the context of the budget process. No other financial institution has that kind of unlimited authority.

2. **The amendments do not clearly delineate the scope of payday lenders' authority to conduct additional businesses and services and, in fact, create conflict over the Legislature's intent.** As written, Section 3443f (sec. 138.14(6)(b)) authorizes payday lenders to conduct all of the businesses and services listed in that paragraph. Yet, the first sentence of Section 3443m (sec. 138.14(6)(b)2) authorizes payday lenders to conduct any business as long as the payday lender has a license if one is required. There is clearly a conflict between these two sections, since the amendments in Section 3443m make the amendments in Sections 3443f, 3443h and 3443j superfluous and unnecessary.

3. **Section 3443f (sec. 138.14(6)(b)1 (intro.)) is unclear as to whether all of the businesses and services listed in sec. 138.14(6)(b)1 are subject to sec. 138.14.** For example, it cannot be intended that the sale of insurance and annuities and other financial products are subject to sec. 138.14 because there are entire Administrative Codes that apply the sale of those products. Yet, the language in Section 3443h does not clearly state that the sale of insurance, annuities and other financial products are not subject to sec. 138.14 but rather are subject to the applicable Wisconsin Administrative Code.

4. **Section 3443m (138.14(6)(b)2) provides that the sale of insurance, annuities and related products "is subject to any applicable requirement related to obtaining a license, permit, or other approval before providing the service."** This amendment does not provide, however, that the sale of insurance, annuities and related products is subject to all of the other requirements in the Administrative Code that apply, including, for example, the consumer protections that apply to some of the complex insurance and financial contracts. Not only do these provisions create an unlevelled playing field between payday lenders and other sellers of these products who are subject to the applicable Wisconsin Administrative Code, but they leave Wisconsin consumers without the carefully crafted protections that the Code provides.

For all of the reasons, the undersigned organizations request that you veto Sections 3443f, 3443h, 3443j and 3443m of Senate Bill 21. These provisions deserve more thoughtful consideration and clear drafting to show legislative intent.

Thank you for your consideration.



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