



TERRY KATSMMA

STATE REPRESENTATIVE • 26th ASSEMBLY DISTRICT

Phone: (608) 266-0656
Toll-Free: (888) 529-0026
Rep.Katsma@legis.wi.gov

P.O. Box 8952
Madison, WI 53708-8952

For Immediate Release
February 6th, 2015

Contact: Rep. Terry Katsma
(608) 266-0656

Rep. Katsma Levels the Playing Field for Wisconsin Consumers

Madison... State Representative Terry Katsma (R–Oostburg) introduced Assembly Bill (AB) 24 this week, a bipartisan reform that aims to put state-chartered banks and credit unions on equal regulatory footing with federally chartered banks.

At present, Wisconsin law effectively prohibits financial institutions headquartered within the state from offering promotional discounts on variable-rate residential mortgage loans.

But federal law makes no such prohibition. As a result, large out-of-state banks with branch locations in Wisconsin have an unfair advantage in the marketplace. AB 24 would lift Wisconsin’s restriction against state-headquartered institutions.

“The true beneficiaries of this simple reform will be middle-class consumers,” explained Katsma, “because all banks will be equally empowered to offer these loans at sale prices.

“This is a perfect example of an outdated and unnecessary regulation that is hurting Wisconsin’s small businesses and home buyers,” Katsma continued. “Federal truth-in-lending laws already protect consumers by requiring lenders to fully and clearly disclose the terms of residential mortgage loans to their customers. We don’t need this obsolete state statute that no longer accurately reflects current market practices or federal law.”

The measure is scheduled to receive a public hearing on Wednesday, February 11th at the State Capitol.

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Rep. Katsma represents the 26th Assembly District which includes the cities of Sheboygan and Sheboygan Falls; the villages of Adell, Oostburg, Random Lake and Cedar Grove; and the towns of Lima, Holland, Sherman and Wilson. Katsma serves as the Vice-Chair of the Committee on Financial Institutions and as a member of the committees on Consumer Protection, Housing and Real Estate, Ways and Means and Workforce Development.