

CHAPTER 156 , Laws of 1981

AN ACT to repeal 186.113 (1m) (a) 5; to renumber 186.07 and 186.08; to amend 186.06 (1), 186.09 (6) (a) and (9), 186.112 (1), 186.113 (1m) (a) 2, 186.13, 186.16 (1), 186.18 and 186.35 (2) (a) and (5) (d); and to create 15.07 (5) (r), 186.01 (8), 186.07 (2), 186.08 (2) and (3) and 186.113 (17) and (18) of the statutes, relating to membership and powers of credit unions and other miscellaneous changes affecting credit unions.

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

SECTION 1. 15.07 (5) (r) of the statutes is created to read:

15.07 (5) (r) Members of the credit union review board, \$25 per day but not to exceed \$1,500 per year.

SECTION 2. 186.01 (8) of the statutes is created to read:

186.01 (8) "Vicinal industries" includes employers which operate one or more facilities within a well-defined neighborhood or urban, suburban or rural community whose limits shall not be determined by any arbitrary physical standard.

SECTION 4. 186.06 (1) of the statutes is amended to read:

186.06 (1) The incorporators shall call the first meeting of the eligible membership with the primary purpose of electing a board of directors. No person may vote at a meeting unless ~~he~~ the person has been a member for at least 3 months, except during the first 12 months of the existence of the corporation. Members shall not have more than one vote.

SECTION 5. 186.07 of the statutes is renumbered 186.07 (1).

SECTION 6. 186.07 (2) of the statutes is created to read:

186.07 (2) Except during the first 12 months of the existence of the credit union, no person may be elected as a director unless the person is a natural person who for at least the 3 months immediately prior to the date of election and on the date of election has been a member in good standing of the credit union. Any director who withdraws or is expelled from membership in the credit union shall be removed from the board of directors. The vacancy shall be filled for a balance of the term by an appointment by the board of directors within 30 days after the date of removal.

SECTION 7. 186.08 of the statutes is renumbered 186.08 (1).

SECTION 8. 186.08 (2) and (3) of the statutes are created to read:

186.08 (2) (a) If a membership officer is appointed under sub. (1) (a), the membership officer shall maintain a record of the officer's actions in that capacity taken on or after the effective date of this subsection (1981), and the record shall be available to the board of directors for inspection.

(b) Any person who applies for membership in a credit union on or after the effective date of this subsection (1981) and who is denied membership by a membership officer appointed under sub. (1) (a) may appeal the denial in writing to the board of directors. The board of directors shall consider the appeal and shall take the action it deems appropriate under the circumstances.

(3) The board of directors may appoint an executive committee consisting of at least 3 directors. If an executive committee is appointed under this subsection, the executive committee shall meet as often as necessary, and the full board of directors shall meet at least semiannually. The board of directors may delegate all or any part of its authority under this chapter to an executive committee appointed under this subsection, subject to any conditions or limitations the board may impose.

SECTION 9. 186.09 (6) (a) and (9) of the statutes are amended to read:

186.09 (6) (a) The board of directors shall determine the policy regarding collateral acceptable for secured loans. Loans to ~~individuals~~ members which in the aggregate exceed the amount shown in the schedule below shall be secured by such collateral having a value which is at least equal to any amount exceeding the limits in the following schedule, except that all loans exceeding \$5,000 not subject to collateral shall be supported by a sworn financial statement:

(9) A borrower may pay the whole or part of ~~his~~ the borrower's loan on any day the credit union is open for business.

SECTION 10. 186.112 (1) of the statutes is amended to read:

186.112 (1) The board of directors may borrow money, from any source, if the amount borrowed does not to exceed 50% of the credit union's total savings, deposits and reserves, but and the loan is not for a period longer than 12 months, except that the 12-month period may be extended when approved by the commissioner. This. The limitations of this subsection does do not apply to national corporate central credit unions. The 12-month limitation under this subsection does not apply to money borrowed by a credit union to acquire credit union property, buildings, remodeling or equipment. The commissioner may exempt any credit union from the limitations of this subsection.

SECTION 11. 186.113 (1m) (a) 2 of the statutes is amended to read:

186.113 (1m) (a) 2. The common bond among the members of the credit union establishing such limited services offices under this subsection is employment by a corporation, partnership or association whose principal office is located in this state. A limited services office lawfully established under this subsection may continue in service notwithstanding the fact that the corporation, partnership, or association is acquired by an entity whose principal office is outside this state.

SECTION 12. 186.113 (1m) (a) 5 of the statutes is repealed.

SECTION 13. 186.113 (17) and (18) of the statutes are created to read:

186.113 (17) Make contracts necessary and proper to effect its purpose and conduct its business.

(18) To sue and be sued, and to appear and defend in all actions and proceedings under its corporate name to the same extent as a natural person.

SECTION 14. 186.13 of the statutes is amended to read:

186.13 Expulsion. The board of directors may expel a member from the credit union who neglects or refuses to comply with this chapter or the bylaws, or for any other just cause; but no member may be expelled until ~~he~~ the member has been informed in writing of the charges against ~~him~~ the member, and given an opportunity, after reasonable notice, to be heard thereon.

SECTION 15. 186.16 (1) of the statutes is amended to read:

186.16 (1) The board of directors shall establish the dividend period. Dividends shall be considered a normal operating expense of the credit union. Rates of dividends and terms of payment may be established and guaranteed in advance by action of the board of directors. The board of directors may classify its accounts and declare dividends which may be at variable rates. ~~Savings deposited during the dividend period shall be entitled to a prorated part of the dividend if the savings are on deposit at the close of the period.~~

SECTION 16. 186.18 of the statutes is amended to read:

186.18 Dissolution. Upon the unanimous recommendation of the board of directors, the members may vote to dissolve the credit union ~~provided that~~. If a majority of the members total membership vote by ballot in person or by letter or other written communication in favor of dissolution, and provided if not more than 15 members or 10% of the total membership, whichever is greater, by written notice, object thereto vote against dissolution, the credit union shall be dissolved. A If both the number of votes in favor of dissolution and the number of votes against dissolution are each less than 50% of the total number of members the board of directors may, with the permission of the commissioner, cause written notice to be mailed to each member at the member's last-known address which expressly states that the board's proposal to dissolve the credit union will be approved or disapproved at a special or annual meeting to be held at the time and place specified in the notice. The credit union shall be dissolved only if a majority of the members present at the meeting vote in favor of the board's proposal to dissolve the credit union. If the members vote to dissolve the credit union, a committee of 3 shall thereupon be elected by the members to liquidate the assets of the credit union. Members may After assets are liquidated and debts paid members shall be paid a liquidating dividend in proportion to their savings after the debts of the credit union have been paid from remaining assets. The committee in charge of liquidation shall have the power and authority to may sell or dispose of the assets in whole or in part at a public or private sale subject to confirmation by the board of directors and the office of the commissioner of credit unions.

SECTION 17. 186.35 (2) (a) and (5) (d) of the statutes are amended to read:

186.35 (2) (a) Aid and assist any member credit union which develops financial difficulties such as insolvency, nonliquidity or liquidation, in order that the savings of ~~any individual~~ each member of a member credit union shall be protected or guaranteed to any amount not to exceed \$50,000, on and after the date the amount specified in 12 USC 1787 (c) 1 is increased from \$40,000 to \$50,000, if that increase is made by the 96th U.S. congress, 2nd session, otherwise to any amount not to exceed \$40,000.

(5) (d) A regular annual assessment, not to exceed ~~one-tenth of one percent~~ 0.1% of the member credit union's savings capital, shall be levied by the trustees. In the event of potential impairment of the corporation's capital funds, special assessments may be levied by the trustees with the approval of the commissioner. The member credit union's savings capital as of December 31 shall be the basis for calculating the assessment due the ensuing year. The trustees shall determine the date the annual assessment is due and payable. The annual assessment, and any special assessment, when paid by the member credit union, shall be a charge to its regular reserve. The membership fee and the annual assessment shall also be levied on credit union savings in a central credit union on a similar basis as stated herein; however, the guaranty on such credit union savings extends to the full amount of such savings balances and is not limited by the maximum protection afforded ~~an individual~~ a credit union member under sub. (2) (a). Nothing in this paragraph authorizes levying of assessments under this paragraph against national corporate central credit unions.