



Douglas La Follette
Secretary of State

Jack C. Voight
State Treasurer

James E. Doyle
Attorney General

Daniel E. Wisniewski
Secretary

Madison Office (608) 266-1370 • Loans (608) 266-0034 • Fax (608) 267-2787
District Office (715) 277-3366 • Fax (715) 277-3363

November 30, 1999

Senator Brian Burke
The State Senate
316S State Capitol
Madison, WI 53702

Representative John Gard
The State Assembly
315N State Capitol
Madison, WI 53702

Senator Burke and Representative Gard:

Included in 1999 Wisconsin Act 9 is a provision allowing the Board of Commissioners of Public Lands to charge an administrative fee for prepayment of State Trust Fund loans between March 15 and August 1 of any year. The Board was also directed to report to the committee by December 1 which accounting and administrative actions would be taken to implement this new fee.

Due to the late passage of the budget, the Board of Commissioners of Public Lands has not yet had the opportunity to meet to discuss various options regarding prepayment fees for certain loans. We are currently developing a more sophisticated loan accounting system that will allow us to more accurately identify our cost structure for making and servicing loans. The Board will be holding its next meeting on December 14.

With this in mind, I am requesting that we be allowed to delay our report to the committee until February 1, 2000. At that time we will be in a better position to indicate whether the Board has decided to implement any kind of prepayment fee and, if so, how it would be structured.

Sincerely,

Daniel E. Wisniewski, Secretary
Board of Commissioners of Public Lands

cc: Robert Lang, Legislative Fiscal Bureau

STATE OF WISCONSIN

SENATE CHAIR
BRIAN BURKE

316 South, State Capitol
P.O. Box 7882
Madison, WI 53707-7882
Phone: 266-8535



ASSEMBLY CHAIR
JOHN GARD

315 North, State Capitol
P.O. Box 8952
Madison, WI 53708-8952
Phone: 266-2343

JOINT COMMITTEE ON FINANCE

December 3, 1999

Mr. Daniel E. Wisniewski, Secretary
Board of Commissioners of Public Lands
125 S. Webster Street, Room 200
P. O. Box 8943
Madison, WI 53708-8943

Dear Mr. Wisniewski:

We have received your letter of November 30, 1999, advising us that the Board of Commissioners of Public Lands is unable to comply with a December 1, 1999, reporting deadline imposed by section 9140(1d) of 1999 Wisconsin Act 9. That provision directs the Board to report to us no later than December 1 on the new accounting and administrative procedures it has developed to permit the acceptance of loan prepayments by municipal borrowers during any statutorily authorized prepayment period for any trust fund loans issued under the authority of the Board. You have asked that we extend this reporting deadline until February 1, 2000.

With this letter, we are advising the Board that neither the Joint Committee on Finance nor its Co-chairs has the statutory authority to extend a reporting deadline established by Act 9. We believe that the section 9140(1d) reporting requirement reflects the Legislature's interest in seeing the Board end an administrative practice that can have the effect of prohibiting loan prepayments by municipal borrowers for periods of up to 19 months immediately following the issuance of new loans. The Board should address this issue as a matter of priority and advise us of any corrective actions taken as expeditiously as possible.

Sincerely,

Handwritten signature of Brian Burke in black ink.

BRIAN BURKE
Senate Chair

Handwritten signature of John Gard in black ink.

JOHN GARD
Assembly Chair

BB:JG:js

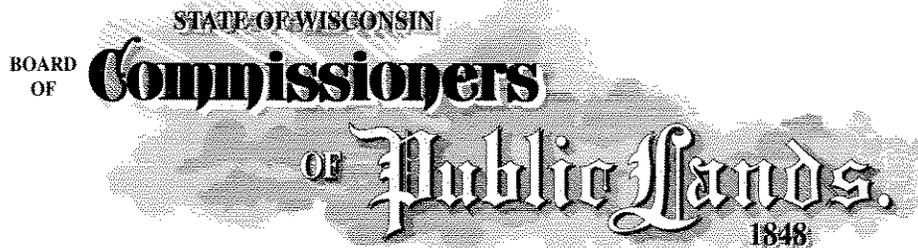
cc: Members, Joint Committee on Finance

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December 17, 1999

Senator Brian Burke
The State Senate
316S State Capitol
Madison, WI 53702

Representative John Gard
The State Assembly
315N State Capitol
Madison, WI 53702

Senator Burke and Representative Gard:

This letter is in response to your letter of December 3 relating to section 9140(1d) of 1999 Wisconsin Act 9, directing the Board of Commissioners of Public Lands to report to you on issues related to certain loan prepayments by municipal borrowers.

The Board met on December 14 and discussed the need to end the administrative practice that can have the effect of prohibiting loan prepayments for periods of up to 19 months immediately following the issuance of new loans. The Board voted to change current policy and allow prepayments during the first March 15 – August 1 “window” before the first regularly scheduled payment, as long as the normal 30-day notice requirement is met. The Certificate of Indebtedness that has been used will be amended to reflect this new *policy (as shown in the attached certificate)*. This will have the effect of shortening the time during which prepayments are prohibited on new loans from 19 to no more than 7 months.

The Board hopes this change will satisfy the committee’s concerns. It has been our policy to make the Trust Loan program as accessible as possible for municipal borrowers. Our rates are very competitive and no fees or penalties of any kind are charged. Outstanding or approved municipal loans now total nearly \$200 million.

Sincerely,

Daniel E. Wisniewski, Secretary
Board of Commissioners of Public Lands

Cc: Robert Lang, Legislative Fiscal Bureau

VOID --- FOR ILLUSTRATION ONLY --- VOID

STATE OF WISCONSIN
BOARD OF COMMISSIONERS OF PUBLIC LANDS

CERTIFICATE OF INDEBTEDNESS

\$750,000.00

Chapter 24 of the Wisconsin Statutes authorizes the Board of Commissioners of Public Lands to invest State Trust Funds in loans to municipalities. The municipalities are empowered to borrow from the Trust Funds in accordance with the provisions of Chapter 24 and this certificate of indebtedness.

The Town of **Sample** in the County of **Sample** did on **January 1, 2000**, apply for a Trust Fund Loan from the Board of Commissioners of Public Lands in the amount of **Seven Hundred Fifty Thousand Dollars (\$750,000)**, together with interest thereon at the rate of **5.00** percent per annum, payable in annual installments. The term of the loan is for **10** years.

The Chairman and Clerk of the Town have been authorized to execute and deliver to the Board, the necessary Certificates of Indebtedness for the sums owing according to the terms of the loan agreement, all in conformity with Chapter 24 of the Wisconsin Statutes.

This Certificate of Indebtedness is issued pursuant to and in conformity with Chapter 24 of the Wisconsin Statutes.

The Town of **Sample** in the County of **Sample** acknowledges that it is indebted to the State of Wisconsin Board of Commissioners of Public Lands in the amount of **Seven Hundred Fifty Thousand Dollars (\$750,000)** together with the interest thereon at the rate of **5.00** percent per annum, to be repaid as provided in the application for the loan, the payment schedule and Chapter 24, payable in annual installments on **March 15** of each year with the first payment due on **March 15, 2001**, and the final payment due **March 15, 2010**.

~~No prepayment of any amount of this loan will be allowed prior to the payment date of March 15, 2001. Thereafter, any additional prepayments must be made on or after March 15 and prior to August 1 of each year. It is agreed that in the event of such prepayment, thirty days notice of the prepayment must be given to the Board of Commissioners of Public Lands and that any additional payment or prepayment must be sent to the Board of Commissioners of Public Lands Office.~~

Annual payments will be made payable to the Wisconsin State Treasurer as indicated on the annual billing statement.

ATTESTED: The Chairman and Clerk of the Town by virtue of the authority vested in them at _____, Wisconsin, this _____ day of _____, _____.

Signed: _____
Chairman

Countersigned: _____
Clerk

2000000.00

VOID --- FOR ILLUSTRATION ONLY --- VOID

STATE OF WISCONSIN

SENATE CHAIR
BRIAN BURKE

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ASSEMBLY CHAIR
JOHN GARD

315 North, State Capitol
P.O. Box 8952
Madison, WI 53708-8952
Phone: 266-2343

JOINT COMMITTEE ON FINANCE

January 5, 2000

Mr. Daniel E. Wisniewski, Secretary
Board of Commissioners of Public Lands
Room 200
125 South Webster Street
Madison, WI 53708

Dear Secretary Wisniewski:

We have received the report of the Board relating to changes in loan prepayment policies for new loans made to municipal borrowers, as required by Section 9140(1d) of 1999 Wisconsin Act 9. After review of the report, we want to acknowledge the Board's action in making these changes to its previous policy regarding loan repayments. We believe that the new policy adopted by the Board adequately addresses the concerns aired by the Committee during its deliberations on the Board's 1999-01 budget request.

Sincerely,

Handwritten signature of Brian Burke in black ink.

BRIAN BURKE
Senate Chair

Handwritten signature of John Gard in black ink.

JOHN GARD
Assembly Chair

BB:JG:js

cc: Members, Joint Committee on Finance