



State of Wisconsin
2019 - 2020 LEGISLATURE

LRB-4193/1
CMH:cdc

2019 SENATE BILL 457

1 **AN ACT** *to repeal* 15.07 (1) (b) 5., 15.07 (5) (g), 15.185 (3) and 227.53 (1) (b) 2.;

2 *to amend* 15.07 (1) (b) 1., 15.07 (5) (b), 15.185 (1), 71.91 (6) (c) 1., 71.91 (6) (d)

3 1., 214.01 (1) (sr), 215.01 (22), 220.02 (5), 220.035 (title), 220.035 (1) (a), 220.035

4 (2), 220.035 (3), 220.035 (6), 220.04 (1) (a), 220.04 (4), 220.04 (6), 220.04 (7) (b)

5 (intro.), 220.04 (8), 220.04 (9) (f) 2., 220.04 (12), 220.05 (2), 220.06 (1m), 220.06

6 (2), 220.07 (2), 220.08 (1), 220.08 (3a), 220.08 (9), 220.085, 221.0202 (5),

7 221.0205, 221.0324 (9), 221.0702 (3), 221.1006, 223.01, 224.725 (1), 227.52 (3),

8 227.53 (1) (a) 1., 227.53 (1) (b) 4., 227.53 (1) (d), 403.312 (2) (c) 1. and 812.18 (1);

9 and *to create* 71.91 (6) (a) 1r., 71.91 (6) (d) 4., 224.46, 224.725 (1r) and 812.19

10 (4) of the statutes; **relating to:** the duty of a bank to make payment on a lost,

11 destroyed, or stolen cashier's check, teller's check, or certified check; providing

12 temporary authority to act as a mortgage loan originator while a license

13 application is pending; property subject to garnishment or tax levy in

14 possession of a financial institution; entities that provide to financial

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1 institutions electronic data processing services; loans to state banks by a
2 Federal Home Loan Bank; and consolidating the Banking Review Board and
3 Savings Institutions Review Board in the Department of Financial
4 Institutions.

Analysis by the Legislative Reference Bureau

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

5 **SECTION 1.** 15.07 (1) (b) 1. of the statutes is amended to read:

6 15.07 (1) (b) 1. Banking institutions review board.

7 **SECTION 2.** 15.07 (1) (b) 5. of the statutes is repealed.

8 **SECTION 3.** 15.07 (5) (b) of the statutes is amended to read:

9 15.07 (5) (b) Members of the banking institutions review board, \$25 per day but
10 not to exceed \$1,500 per year.

11 **SECTION 4.** 15.07 (5) (g) of the statutes is repealed.

12 **SECTION 5.** 15.185 (1) of the statutes is amended to read:

13 15.185 (1) BANKING INSTITUTIONS REVIEW BOARD. There is created in the
14 department of financial institutions a banking institutions review board consisting
15 of ~~5~~ 10 persons, until May 1, 2020, and consisting of 6 persons after May 1, 2020.
16 The members of the board shall be appointed for staggered 5-year terms. At least
17 3 members shall be experienced bankers or savings institution employees having at
18 least 5 years' experience in the banking or savings institution business. No member
19 is qualified to act in any matter involving a bank or savings institution in which the
20 member is an officer, director, or stockholder, or to which the member is indebted.

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1 **SECTION 6.** 15.185 (1) of the statutes, as affected by 2019 Wisconsin Act (this
2 act), is amended to read:

3 15.185 (1) BANKING INSTITUTIONS REVIEW BOARD. There is created in the
4 department of financial institutions a banking institutions review board consisting
5 of ~~10~~ 5 persons ~~until May 1, 2020, and consisting of 6 persons after May 1, 2020.~~ The
6 ~~members of the board shall be,~~ appointed for staggered 5-year terms. At least 3
7 members shall be experienced bankers or savings institution employees having at
8 least 5 years' experience in the banking or savings institution business. No member
9 is qualified to act in any matter involving a bank or savings institution in which the
10 member is an officer, director, or stockholder, or to which the member is indebted.

11 **SECTION 7.** 15.185 (3) of the statutes is repealed.

12 **SECTION 8.** 71.91 (6) (a) 1r. of the statutes is created to read:

13 71.91 (6) (a) 1r. "Financial institution" has the meaning given in s. 214.01 (1)
14 (jn).

15 **SECTION 9.** 71.91 (6) (c) 1. of the statutes is amended to read:

16 71.91 (6) (c) 1. Except as provided in subd. 2. and par. (d) 4., any person in
17 possession of, or obligated with respect to, property subject to levy upon which a levy
18 has been made shall, upon demand of the department, surrender that property
19 unless it is subject to attachment or execution under judicial process, or discharge
20 that obligation, to the department.

21 **SECTION 10.** 71.91 (6) (d) 1. of the statutes is amended to read:

22 71.91 (6) (d) 1. ~~Any~~ Except as provided in subd. 4., any person, including an
23 officer or employee, who fails to surrender property that is subject to levy upon
24 demand of the department is liable to the department for a sum equal to the value
25 of the property not surrendered, but not exceeding the amount of taxes for the

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1 collection of which that levy was made, together with costs and interest at the rate
2 of 18 percent per year from the date of that levy. Any amount, other than costs,
3 recovered under this paragraph shall be credited against the tax liability for the
4 collection of which that levy was made. The liability under this paragraph may be
5 assessed, levied and collected as are additional income or franchise taxes or may be
6 recovered by the department in a civil action.

7 **SECTION 11.** 71.91 (6) (d) 4. of the statutes is created to read:

8 71.91 (6) (d) 4. If a financial institution is in possession of, or obligated with
9 respect to, property subject to levy upon which a levy has been made, the financial
10 institution is liable under this paragraph for failure to surrender that property or
11 discharge that obligation only upon expiration of a reasonable time to comply with
12 the department's demand for the property.

13 **SECTION 12.** 214.01 (1) (sr) of the statutes is amended to read:

14 214.01 (1) (sr) "Review board" means the savings banking institutions review
15 board.

16 **SECTION 13.** 215.01 (22) of the statutes is amended to read:

17 215.01 (22) "Review board" means the savings banking institutions review
18 board.

19 **SECTION 14.** 220.02 (5) of the statutes is amended to read:

20 220.02 (5) Except for acts and decisions of the division under chs. 138, 217, and
21 218, any interested person or any bank or banking corporation aggrieved by an act,
22 order, or determination of the division may, within 10 days from the date thereof,
23 apply to the banking institutions review board to review the same. All such
24 applications for review shall be considered and disposed of as speedily as possible.

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1 The banking institutions review board may require the division to submit any of the
2 division's actions subject to such review to said board for its approval.

3 **SECTION 15.** 220.035 (title) of the statutes is amended to read:

4 **220.035 (title) Banking institutions review board.**

5 **SECTION 16.** 220.035 (1) (a) of the statutes is amended to read:

6 220.035 (1) (a) The banking institutions review board shall advise the division
7 and others in respect to improvement in the condition and service of banks and
8 banking business in this state and shall review the acts and decisions of the division
9 with respect to banks, except for such acts and decisions of the division under chs.
10 138, 217, and 218, and shall perform such other review functions in relation to
11 banking as are provided by law. The banking institutions review board may require
12 the division to submit any of the division's actions to it for its approval. The board
13 may make rules of procedure as provided in ch. 227.

14 **SECTION 17.** 220.035 (2) of the statutes is amended to read:

15 220.035 (2) The banking institutions review board may make rules and
16 regulations to safeguard the interest of depositors and stockholders generally in
17 emergencies.

18 **SECTION 18.** 220.035 (3) of the statutes is amended to read:

19 220.035 (3) Any final order or determination of the banking institutions review
20 board shall be subject to review in the manner provided in ch. 227.

21 **SECTION 19.** 220.035 (6) of the statutes is amended to read:

22 220.035 (6) Any bank whose assets, upon the basis of a fair valuation, are equal
23 to or in excess of its liabilities exclusive of capital stock, preferred stock, capital notes,
24 and debentures, shall be deemed to be safe and solvent. The banking institutions

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1 review board may prescribe schedules, rules, and regulations for arriving at a fair
2 valuation of various classes of assets of banks.

3 **SECTION 20.** 220.04 (1) (a) of the statutes is amended to read:

4 220.04 (1) (a) The division shall examine at least once every 18 months the
5 cash, bills, collaterals, securities, assets, books of account, condition, and affairs of
6 each bank and trust company bank doing business in this state, except national
7 banks. For that purpose the division may examine on oath any of the officers, agents,
8 directors, clerks, stockholders, customers, or depositors thereof, touching the affairs
9 and business of such institution. In conducting examinations under this paragraph,
10 the division may accept and rely on information collected by other agencies or
11 independent 3rd parties in determining whether a bank or trust company bank has
12 satisfied any requirement that is part of the examination. In making such
13 examinations of banks, the division shall determine the fair valuation of all assets
14 in accordance with the schedules, rules, and regulations prescribed by the banking
15 institutions review board.

16 **SECTION 21.** 220.04 (4) of the statutes is amended to read:

17 220.04 (4) Whenever the division is of the opinion that the loaning, investing,
18 or other banking policies or practices of any officer or director of any bank have been
19 prejudicial to the best interests of such bank or its depositors, or that such policies
20 or practices, if put into operation or continued, will endanger the safety or solvency
21 of said bank or impair the interests of its depositors, the division may, with the
22 approval of the banking institutions review board, request the removal of such officer
23 or director. Such request shall be served on the bank and on such officer or director
24 in the manner provided by law for serving a summons in a court of record or shall be
25 transmitted to said bank and officer or director by registered mail with return receipt

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1 requested. If such request for removal is not complied with within a reasonable time
2 fixed by the division, the division may by order, with like approval of the banking
3 institutions review board, remove such officer or director, but no order of removal
4 shall be entered until after an opportunity for hearing before the banking
5 institutions review board is given to such officer or director upon not less than 10
6 days' notice. An order of removal shall take effect as of the date issued. A copy of such
7 order shall be served upon the bank and upon such officer or director in the manner
8 provided by law for service of a summons in a court of record or by mailing such copy
9 to the bank or officer or director at the bank's or officer's or director's last-known
10 post-office address. Any removal under this subsection shall be effective in all
11 respects the same as if made by the board of directors or stockholders of said bank.
12 Any officer or director removed from office under the provisions of this subsection
13 shall not be reelected as an officer or director of any bank without the approval of the
14 division and the banking institutions review board. An order of removal under this
15 subsection shall be deemed a final order or determination of the banking institutions
16 review board within the meaning and contemplation of s. 220.035 (3).

17 **SECTION 22.** 220.04 (6) of the statutes is amended to read:

18 220.04 (6) (a) The division, with the approval of the banking institutions review
19 board, may establish uniform savings rules which shall be adopted by every bank
20 and trust company bank. Such rules may provide the conditions under which banks
21 or trust company banks may accept deposits.

22 (b) In times of financial distress, the commissioner with the approval of the
23 banking institutions review board may by order restrict the withdrawal of any class
24 of deposits in any bank or trust company bank. The pendency of any proceeding for
25 review of such order shall not stay or suspend the operation of such order.

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1 (d) The division, with the approval of the banking institutions review board,
2 may establish rules regulating the kind and amount of foreign bonds or bonds and
3 securities offered for sale by the international bank for reconstruction and
4 development, the inter-American development bank, the international finance
5 corporation, the African development bank and the Asian development bank which
6 state banks and trust company banks may purchase, except that such rules shall not
7 apply to bonds and securities of the Canadian government and Canadian provinces,
8 which are payable in American funds.

9 **SECTION 23.** 220.04 (7) (b) (intro.) of the statutes is amended to read:

10 220.04 (7) (b) (intro.) The division may, with the approval of the banking
11 institutions review board, establish uniform rules regulating organizations
12 engaging in fiduciary operations. Such rules may:

13 **SECTION 24.** 220.04 (8) of the statutes is amended to read:

14 220.04 (8) Unless the division is expressly restricted by statute from acting
15 under this subsection with respect to a specific power, right, or privilege, the division
16 by rule may, with the approval of the banking institutions review board, authorize
17 state banks to exercise any power under the notice, disclosure, or procedural
18 requirements governing national banks or to make any loan or investment or
19 exercise any right, power, or privilege permitted national banks under federal law,
20 regulation, or interpretation. Notice, disclosure, and procedures prescribed by
21 statute which may be modified by a rule adopted under this subsection include, but
22 are not limited to, those provided under s. 138.056. A rule adopted under this
23 subsection may not affect s. 138.041 or chs. 421 to 428 or restrict powers specifically
24 granted state banks under this chapter or ch. 221 or 224.

25 **SECTION 25.** 220.04 (9) (f) 2. of the statutes is amended to read:

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1 220.04 (9) (f) 2. An official or regulated entity who violates an order issued
2 under par. (d) shall, for each violation, forfeit not more than \$1,000 per day for each
3 day the violation continues. Assessment of a forfeiture under this subdivision shall
4 commence on the latest of 10 days after the date of delivery of the order or, if an appeal
5 is taken under s. 220.035, 10 days after the date of the decision of the banking
6 institutions review board.

7 **SECTION 26.** 220.04 (12) of the statutes is amended to read:

8 220.04 (12) If the division has information that causes the division to believe
9 that any bank, trust company bank, or any other person subject in whole or in part
10 to supervision or control by the division, or any officer, employee, member, or
11 manager thereof, has violated any law, rule, or order that subjects the person to
12 prosecution for a criminal offense or to a penalty, the division shall bring such
13 information to the attention of the banking institutions review board, with the
14 division's recommendation in writing as to action to be taken. The banking
15 institutions review board shall, if in its judgment probable cause exists for believing
16 that a criminal offense has been committed, or a penalty incurred, call the facts and
17 information to the attention of the attorney general whose duty it shall be to cause
18 prosecution or other action to be instituted if, in the attorney general's judgment, the
19 facts warrant. This subsection does not prevent the institution of any prosecution
20 by any district attorney of this state with or without any advice or act on the part of
21 the attorney general. This subsection does not preclude the division, in any case
22 where the division deems it important to act immediately, from causing any arrest
23 and prosecution where the division is satisfied that there is reason to believe the
24 offense has been committed and that prosecution should be immediately
25 commenced.

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1 **SECTION 27.** 220.05 (2) of the statutes is amended to read:

2 220.05 (2) On or before July 15 of each year, each state bank and trust company
3 bank shall pay to the division an annual assessment for the maintenance of the
4 functions of the division in an amount to be determined by the banking institutions
5 review board, but which shall not exceed 8 cents per \$1,000 of resources, or part
6 thereof, for the first \$5,000,000 and shall not exceed 6 cents per \$1,000, or part
7 thereof, for all resources over \$5,000,000.

8 **SECTION 28.** 220.06 (1m) of the statutes is amended to read:

9 220.06 (1m) No division employee may examine a bank or licensee in which
10 that person is interested as a stockholder, officer, or employee. No division employee
11 may examine a bank or licensee located in the same village, city, or county with any
12 bank or licensee in which that person is so interested. Employees in the division, and
13 each member and employee of the banking institutions review board, shall keep
14 secret all facts and information obtained in the course of examinations or from
15 reports not under s. 221.1002 (1) filed by a bank or licensee with the division, except
16 so far as the public duty of the person requires reporting upon or taking special action
17 regarding the affairs of any bank or licensee, and except when called as a witness in
18 any criminal proceeding or trial in a court of justice. The division may furnish to the
19 federal deposit insurance corporation, to a federal home loan bank, or to any
20 regulatory authority for state or federal financial institutions, insurance, or
21 securities a copy of any examination made of any such bank or licensee or of any
22 report made by such bank or licensee and may give access to and disclose to the
23 corporation or to any regulatory authority for state or federal financial institutions,
24 insurance, or securities any information possessed by the division, or to a federal
25 home loan bank any information created by the division, with reference to the

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1 conditions or affairs of any such insured bank or licensee if the regulatory authority
2 agrees to treat all information received with the same degree of confidentiality as
3 applies to reports of examination that are in the custody of the division.

4 **SECTION 29.** 220.06 (2) of the statutes is amended to read:

5 220.06 (2) If any employee in the division or any member of the banking
6 institutions review board or any employee thereof discloses the name of any debtor
7 of any bank or licensee, or anything relative to the private account or transactions
8 of such bank or licensee, or any fact obtained in the course of any examination of any
9 bank or licensee, except as herein provided, that person is guilty of a Class I felony
10 and shall be subject, upon conviction, to forfeiture of office or position.

11 **SECTION 30.** 220.07 (2) of the statutes is amended to read:

12 220.07 (2) REVIEW OF ORDER. In any case where the division has made an order
13 requiring capital to be made good, the bank may within 10 days after the making of
14 said order secure a review of same by the banking institutions review board by filing
15 with the division a statement requesting such review and stating the grounds of
16 objection to the order of the division. Said board shall promptly conduct a hearing
17 thereon after affording reasonable notice to the bank and shall affirm, modify, or set
18 aside the order of the division. No such review or hearing shall extend the time for
19 compliance with the order of the division unless the banking institutions review
20 board shall so direct.

21 **SECTION 31.** 220.08 (1) of the statutes is amended to read:

22 220.08 (1) Whenever it shall appear to the division that any bank or banking
23 corporation to which this chapter is applicable has violated its charter or any law of
24 the state, or is conducting its business in an unsafe or unauthorized manner, or if the
25 capital of any such bank or banking corporation is impaired, or if any such bank or

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1 banking corporation shall refuse to submit its books, papers, and concerns to the
2 inspection of any examiner, or if any officer thereof shall refuse to be examined upon
3 oath touching the concerns of any such bank or banking corporation, or if any such
4 bank or banking corporation shall suspend payment of its obligations, or if from any
5 examination or report provided for by this chapter the division shall have reason to
6 conclude that such bank or banking corporation is in an unsound or unsafe condition
7 to transact the business for which it is organized, or that it is unsafe and inexpedient
8 for it to continue business, or if any such bank or banking corporation shall neglect
9 or refuse to observe an order of the division, specified in s. 220.07, or if the division
10 shall find that the management of the bank or the manner in which the work of any
11 of its officers or employees is done, if continued, is such as to endanger the safety or
12 solvency of the bank and the division shall have made written recommendations for
13 change in management or officers and employees and such recommendation shall
14 not have been complied with after the expiration of a reasonable time therefor fixed
15 by the division, the division may take possession of the property and business of such
16 bank or banking corporation, and retain such possession until such bank or banking
17 corporation shall resume business, or its affairs be finally liquidated as herein
18 provided. Whenever facts have come to the attention of the division which cause the
19 division to believe that it may be necessary or advisable to take possession of a bank,
20 or if the division has reasonable cause to believe that any of the grounds for taking
21 possession of a bank, specified in this section, exist, the division shall bring the
22 matter to the attention of the banking institutions review board, reporting to them
23 in writing the situation and the division's recommendation as to action to be taken.
24 The banking institutions review board shall promptly consider the matter and
25 promptly decide whether or not the division should take possession of the bank. If

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1 the review board decides that the division should take possession, the division shall
2 forthwith take possession as hereinbefore provided. If at any time the division is
3 confronted with an emergency situation where in the division's opinion it is
4 imperative in order to protect the public or for other reasons that possession of the
5 bank be at once taken, the division may do so forthwith without referring the matter
6 to the banking institutions review board.

7 **SECTION 32.** 220.08 (3a) of the statutes is amended to read:

8 220.08 (3a) That in addition to the authority conferred by sub. (3), the division
9 with the approval of the banking institutions review board may, for purposes of
10 collection or liquidation, sell, assign, convey, and transfer or approve the sale,
11 assignment, conveyance, and transfer of the assets of a closed bank or bank operating
12 under a stabilization and readjustment agreement to any other bank or trust
13 company under such terms and conditions as the division may deem for the best
14 interests of the depositors and unsecured creditors of such bank.

15 **SECTION 33.** 220.08 (9) of the statutes is amended to read:

16 220.08 (9) Whenever any such bank or banking corporation, of whose property
17 and business the division has taken possession, as aforesaid, deems itself aggrieved
18 thereby, it may, at any time within 10 days after such taking possession, apply to the
19 circuit court for the county in which such bank or banking corporation is located to
20 enjoin further proceedings; and said court, after citing the division to show cause why
21 further proceedings should not be enjoined and hearing the allegations and proofs
22 of the parties and determining the facts may, upon the merits dismiss such
23 application or enjoin the division from further proceedings, and direct the division
24 to surrender such business and property to such bank or banking corporation. Said
25 bank or banking corporation may, if it desires so to do, within 10 days after taking

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1 possession apply to the banking institutions review board to review the action of the
2 division in taking possession. The banking institutions review board shall act
3 speedily on such application. Within 10 days after notice of the decision of the
4 banking institutions review board, said bank or banking corporation may apply to
5 said circuit court of the county in which such bank or banking corporation is located
6 to enjoin further proceedings. The proceedings on such application shall be on notice
7 to the division and shall be the same as where the application to the court is made
8 as above provided without application to the review board.

9 **SECTION 34.** 220.085 of the statutes is amended to read:

10 **220.085 Federal aid to banks.** On approval of the banking institutions
11 review board, any state bank or trust company, or the receiver of any insolvent or
12 delinquent state bank or trust company, may take advantage of any act that may be
13 enacted by the congress of the United States for the relief of any state banks or trust
14 companies.

15 **SECTION 35.** 221.0202 (5) of the statutes is amended to read:

16 221.0202 (5) DECISION. After completing the investigation under sub. (4), the
17 division shall make a written report to the banking institutions review board stating
18 the results of the investigation and the division's recommendation. The board shall
19 consider the matter, conduct any necessary hearing, and promptly make its decision
20 approving or disapproving the application. The decision shall be final except
21 pursuant to s. 220.035 (1) and (3). If the application is approved, the division shall
22 endorse on each of the original applications the word "Approved". If the application
23 is disapproved, the division shall endorse the word "Disapproved". One of the
24 duplicate originals shall be filed in the division's office and one shall be returned by
25 mail to the applicants.

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1 **SECTION 36.** 221.0205 of the statutes is amended to read:

2 **221.0205 Capital stock.** Immediately following a bank's organization under
3 this chapter, the division shall determine the required capital of the bank, subject to
4 review by the banking institutions review board. In addition to the required capital
5 stock, a contingent fund and paid-in surplus each in an amount equal to at least 25
6 percent of the aggregate amount of the capital stock, shall be subscribed at the time
7 the subscription list of shareholders is prepared by the incorporators.

8 **SECTION 37.** 221.0324 (9) of the statutes is amended to read:

9 **221.0324 (9) PLEDGES TO AND LOANS FROM THE FEDERAL HOME LOAN BANK.**
10 Notwithstanding sub. (3), a bank that is a member of the federal home loan bank may
11 borrow money from the federal home loan bank ~~for a term not to exceed 20 years and~~
12 ~~may pledge bank assets having a value that does not exceed 2 times the amount of~~
13 ~~the loan as collateral to secure the loan. Total assets pledged under this subsection~~
14 ~~may not exceed 4 times the amount of the bank's capital or any other extension of~~
15 credit from the federal home loan bank.

16 **SECTION 38.** 221.0702 (3) of the statutes is amended to read:

17 **221.0702 (3) ROLE OF DIVISION.** After consultation with the banking institutions
18 review board, the division may make recommendations to any bank within this state
19 as to the advisability of consolidation or merger with other banks and may make
20 recommendations as to terms for consolidation or merger of banks in order to avoid
21 a condition of oversupply of banks in any community or area of the state. The division
22 may also, if requested so to do, act as mediator or arbitrator to fix any of the terms
23 of any such consolidation or merger. The board of directors of any bank organized
24 under the laws of this state may use a reasonable amount of the assets of the bank
25 toward assisting in bringing about a consolidation or merger of banks or to aid in

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1 reorganization or in avoiding the closing of a bank, if the board considers it to be in
2 the interests of safe banking and the maintenance of credit and banking facilities in
3 the county in which the bank is located.

4 **SECTION 39.** 221.1006 of the statutes is amended to read:

5 **221.1006 Fees for certified copies.** If a certified copy of a record filed in the
6 division is lawfully required to be furnished by the division, the division may assess
7 a reasonable fee as determined by the banking institutions review board. These fees
8 shall be deposited in the general fund.

9 **SECTION 40.** 223.01 of the statutes is amended to read:

10 **223.01 Trust company banks, capital.** Trust company banks may be
11 organized pursuant to ch. 221 and shall be subject to all the provisions,
12 requirements, and liabilities of chs. 220 and 221, so far as applicable, except that
13 trust company banks may not accept deposits other than trust deposits and except
14 as otherwise hereinafter provided. The division may, with the approval of the
15 banking institutions review board, establish minimum capital requirements for a
16 trust company bank.

17 **SECTION 41.** 224.46 of the statutes is created to read:

18 **224.46 Independent data processing servicers. (1) DEFINITIONS.** In this
19 section:

20 (a) "Financial institution" has the meaning given in s. 214.01 (1) (jn).

21 (b) "Independent data processing servicer" means an entity that provides to a
22 financial institution electronic data processing services, but not including the
23 exchange of data and settlement of funds between 2 or more unaffiliated financial
24 institutions resulting from transactions involving remote terminals under s. 186.113

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1 (15), remote service units under s. 214.04 (21) or 215.13 (46), or customer bank
2 communications terminals under s. 221.0303 (2).

3 (c) "Interface agreement" means a written agreement specifying the terms and
4 conditions under which an interface of communications, data, or systems between
5 independent data processing servicers shall be accomplished.

6 **(2) OWNERSHIP OF FINANCIAL INSTITUTION DATA.** If a financial institution
7 transfers or otherwise makes available to an independent data processing servicer
8 any data from the financial institution's records, this data shall remain the property
9 of the financial institution. The independent data processing servicer has no right,
10 title, or interest in, or claim to legal ownership of, the data. The transfer of the data
11 by the financial institution authorizes the independent data processing servicer only
12 to exercise temporary control of the data for the limited purpose of performing the
13 contracted services requested by the financial institution. This subsection also
14 applies with respect to an independent data processing servicer that receives a
15 financial institution's data under an interface agreement or other agreement with
16 another independent data processing servicer.

17 **(3) CONTRACT DISCLOSURES BY INDEPENDENT DATA PROCESSING SERVICERS.** No
18 independent data processing servicer may enter into a contract with a financial
19 institution, or renew or amend such a contract, unless the contract discloses, in
20 separate contract provisions, all of the following:

21 (a) All fees or charges, including any fee schedule, that the independent data
22 processing servicer may impose on the financial institution.

23 (b) Any formula or other grounds that the independent data processing servicer
24 may apply or rely upon to terminate the contract.

25 **SECTION 42.** 224.725 (1) of the statutes is amended to read:

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1 224.725 (1) LICENSE REQUIRED. Except as provided in ~~sub.~~ subs. (1m) and (1r),
2 an individual may not regularly engage in the business of a mortgage loan originator
3 with respect to a residential mortgage loan, or use the title “mortgage loan
4 originator,” advertise, or otherwise portray himself or herself as a mortgage loan
5 originator in this state, unless the individual has been issued by the division, and
6 thereafter maintains, a license under this section. Each licensed mortgage loan
7 originator shall register with, and maintain a valid unique identifier issued by, the
8 nationwide mortgage licensing system and registry.

9 **SECTION 43.** 224.725 (1r) of the statutes is created to read:

10 224.725 (1r) EMPLOYMENT TRANSITION; TEMPORARY AUTHORITY. (a) An individual
11 who was a registered mortgage loan originator immediately prior to becoming
12 employed by, and who remains employed by, a mortgage banker or mortgage broker
13 licensed under this subchapter and who has applied to the division for a mortgage
14 loan originator license is considered to have temporary authority to act as a mortgage
15 loan originator under this subchapter, for the period specified in par. (c), if all of the
16 following apply:

17 1. The individual has not previously had an application for a mortgage loan
18 originator license denied.

19 2. The individual has not previously had a mortgage loan originator license
20 suspended or revoked in any governmental jurisdiction.

21 3. The individual has not been subject to, or served with, a cease and desist
22 order in any governmental jurisdiction or by the director of the federal bureau of
23 consumer financial protection under 12 USC 5113 (c).

24 4. The individual has not been convicted of any crime that disqualifies the
25 individual under sub. (3) (b) from issuance of a license.

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1 5. The individual was registered with the nationwide mortgage licensing
2 system and registry as a loan originator during the one-year period immediately
3 preceding the date on which the individual furnished the information required under
4 sub. (2) (c).

5 (b) An individual who is licensed as a mortgage loan originator in another state,
6 who is employed by a mortgage banker or mortgage broker licensed under this
7 subchapter, and who has applied to the division for a mortgage loan originator license
8 is considered to have temporary authority to act as a mortgage loan originator under
9 this subchapter, for the period specified in par. (c), if all of the following apply:

10 1. The individual meets the requirements of par. (a) 1. to 4.

11 2. The individual was licensed in another state during the 30-day period
12 immediately preceding the date on which the individual furnished the information
13 required under sub. (2) (c).

14 (c) 1. The period during which an individual described in par. (a) or (b) is
15 considered to have temporary authority to act as a mortgage loan originator under
16 this subchapter shall begin on the date on which the individual furnishes to the
17 nationwide mortgage licensing system and registry the information required under
18 sub. (2) (c) in connection with the application for a mortgage loan originator license
19 under this subchapter.

20 2. The period that begins under subd. 1. shall end on the earliest of the
21 following:

22 a. The date on which the individual withdraws the application for a mortgage
23 loan originator license.

24 b. The date on which the division denies, or issues a notice of intent to deny, the
25 application for a mortgage loan originator license.

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1 c. The date on which the division grants to the individual a mortgage loan
2 originator license.

3 d. If the individual's application is listed on the nationwide mortgage licensing
4 system and registry as incomplete, the date that is 120 days after the date on which
5 the individual applied for a mortgage loan originator license.

6 (d) 1. Any person employing an individual who is considered to have temporary
7 authority to act as a mortgage loan originator under this subsection shall be subject
8 to the requirements of this subchapter to the same extent as if that individual were
9 a licensed mortgage loan originator.

10 2. Any individual who is considered to have temporary authority to act as a
11 mortgage loan originator under this subsection and who engages in any activity
12 described in s. 224.71 (6) (c) and (d) shall be subject to the requirements of this
13 subchapter to the same extent as if the individual were a licensed mortgage loan
14 originator.

15 **SECTION 44.** 227.52 (3) of the statutes is amended to read:

16 227.52 (3) Those decisions of the division of banking that are subject to review,
17 prior to any judicial review, by the banking institutions review board, and decisions
18 of the division of banking relating to savings banks or savings and loan associations,
19 but no other institutions subject to the jurisdiction of the division of banking.

20 **SECTION 45.** 227.53 (1) (a) 1. of the statutes is amended to read:

21 227.53 (1) (a) 1. Proceedings for review shall be instituted by serving a petition
22 therefor personally or by certified mail upon the agency or one of its officials, and
23 filing the petition in the office of the clerk of circuit court for the county where the
24 judicial review proceedings are to be held. If the agency whose decision is sought to
25 be reviewed is the tax appeals commission, the banking institutions review board,

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1 ~~or~~ the credit union review board, ~~or the savings institutions review board~~, the
2 petition shall be served upon both the agency whose decision is sought to be reviewed
3 and the corresponding named respondent, as specified under par. (b) 1. to 4.

4 **SECTION 46.** 227.53 (1) (b) 2. of the statutes is repealed.

5 **SECTION 47.** 227.53 (1) (b) 4. of the statutes is amended to read:

6 227.53 (1) (b) 4. The ~~savings~~ banking institutions review board, the division of
7 banking, except if the petitioner is the division of banking, the prevailing parties
8 before the ~~savings~~ banking institutions review board shall be the named
9 respondents.

10 **SECTION 48.** 227.53 (1) (d) of the statutes is amended to read:

11 227.53 (1) (d) Except in the case of the tax appeals commission, the banking
12 institutions review board, and the credit union review board, ~~and the savings~~
13 ~~institutions review board~~, the agency and all parties to the proceeding before it shall
14 have the right to participate in the proceedings for review. The court may permit
15 other interested persons to intervene. Any person petitioning the court to intervene
16 shall serve a copy of the petition on each party who appeared before the agency and
17 any additional parties to the judicial review at least 5 days prior to the date set for
18 hearing on the petition.

19 **SECTION 49.** 403.312 (2) (c) 1. of the statutes is amended to read:

20 403.312 (2) (c) 1. The claim becomes enforceable at the later of the time that
21 the claim is asserted, or the ~~90th~~ 30th day following the date of the check, in the case
22 of a cashier's check or teller's check, or the ~~90th~~ 30th day following the date of the
23 acceptance, in the case of a certified check.

24 **SECTION 54.** 812.18 (1) of the statutes is amended to read:

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1 812.18 (1) ~~From Subject to s. 812.19 (4), from~~ the time of service upon the
2 garnishee, the garnishee shall be liable to the creditor for the property then in the
3 garnishee's possession or under his or her control belonging to the debtor or in which
4 the debtor is interested to the extent of his or her right or interest therein and for all
5 the garnishee's debts due or to become due to the debtor, except such as are exempt
6 from execution, or are required by a court to be paid by the debtor as restitution under
7 s. 973.20, but not in excess of the amount of the creditor's claim.

8 **SECTION 55.** 812.19 (4) of the statutes is created to read:

9 812.19 (4) If a garnishee is a financial institution, as defined in s. 214.01 (1)
10 (jn), in possession of, or obligated with respect to, property subject to garnishment,
11 the financial institution is liable to the creditor for the property in its possession, in
12 an amount up to the garnishable amount in the account or accounts, as of the time
13 the financial institution is first reasonably able to put the garnishment into effect,
14 but no later than the end of the 2nd business day after the business day on which the
15 garnishee summons and complaint is received by the financial institution. Any
16 property that leaves the possession of the financial institution within that time
17 frame, but before the financial institution is able to put the garnishment into effect,
18 shall not be subject to the garnishment and the financial institution shall have no
19 responsibility to attempt to secure the return of such property and no liability to the
20 creditor for such property.

21 **SECTION 56. Nonstatutory provisions.**

22 (1) BOARD MEMBERSHIP; TRANSITION PROVISION. On the effective date of this
23 subsection, each member of the savings institutions review board under s. 15.185 (3),
24 2017 stats., serving an unexpired term on that board shall become a member of the

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1 banking institutions review board for a term that expires on the member's expiration
2 date previously established for the savings institutions review board.

3 (2) CONSOLIDATION OF BANKING REVIEW BOARD AND SAVINGS INSTITUTIONS REVIEW
4 BOARD; TRANSFER PROVISIONS.

5 (a) *Banking review board renamed.* On the effective date of this paragraph, the
6 banking review board is renamed the banking institutions review board.

7 (b) *Tangible personal property.* On the effective date of this paragraph, all
8 tangible personal property, including records, of the savings institutions review
9 board is transferred to the banking institutions review board.

10 (c) *Pending matters.* Any matter pending with the savings institutions review
11 board on the effective date of this paragraph is transferred to the banking
12 institutions review board. All materials submitted to or actions taken by the savings
13 institutions review board are considered as having been submitted to or taken by the
14 banking institutions review board.

15 (d) *Orders.* All orders issued by the savings institutions review board in effect
16 on the effective date of this paragraph remain in effect until their specified expiration
17 dates or until modified or rescinded by the banking institutions review board.

18 (e) *Secretary to resolve transition disagreements.* In the case of disagreement
19 between the savings institutions review board and the banking institutions review
20 board with respect to any provision of this subsection, the secretary of financial
21 institutions shall determine the matter and shall develop a plan for an orderly
22 transfer.

23 **SECTION 57. Initial applicability.**

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SECTION 57

1 (1) PAYMENT OF LOST, DESTROYED, OR STOLEN INSTRUMENTS. The treatment of s.
 2 403.312 (2) (c) 1. first applies to claims asserted on the effective date of this
 3 subsection.

4 (2) FEDERAL HOME LOAN BANK LOANS; RETROACTIVE APPLICABILITY. The treatment
 5 of s. 221.0324 (9) first applies retroactively to loans made or credit extended before,
 6 and applies to loans made or credit extended on or after, the effective date of this
 7 subsection.

8 (3) INDEPENDENT DATA PROCESSING SERVICERS. The treatment of s. 224.46 (3) first
 9 applies to contracts entered into, renewed, or amended on the effective date of this
 10 subsection.

11 **SECTION 58. Effective dates.** This act takes effect on the day after publication,
 12 except as follows:

13 (1) BANKING INSTITUTIONS REVIEW BOARD. The treatment of s. 15.185 (1) (by
 14 SECTION 6) takes effect on May 2, 2021, or on the day after publication, whichever is
 15 later.

16 (2) MORTGAGE LOAN ORIGINATORS. The treatment of s. 224.725 (1) and (1r) takes
 17 effect on November 28, 2019, or on the day after publication, whichever is later.

18 (3) INDEPENDENT DATA PROCESSING SERVICERS. The treatment of s. 224.46 and
 19 SECTION 57 (3) of this act take effect on the first day of the 4th month beginning after
 20 publication.

21 (END)