

CU 54

Filed April 25, 1975.
4:00 pm. BLP

CERTIFICATE

STATE OF WISCONSIN)
)
OFFICE OF THE COMMISSIONER OF CREDIT UNIONS)

TO ALL TO WHOM THESE PRESENTS SHALL COME, GREETINGS:

I, WILLIAM H. HUGHES, Commissioner of the Office of the Commissioner of Credit Unions, and custodian of the official records of said department, do hereby certify that the annexed amendments to chapter CU 54.01, (1), (2), and (5)(a) and creation of chapter CU 54.06(1), (2), (3), (4)(a) and (4)(b), were duly approved and adopted by this department on December 19, 1974.

I further certify that, as required by chapter 162, Laws of 1973, I did on March 20, 1975, notify the chairman of the Senate Commerce Committee and the chairman of the Assembly Committee on Insurance and Banking that a public hearing was held at the Office of the Commissioner of Credit Unions on March 14, 1975, at 10:00 A.M., in Room 734, Hill Farms State Office Building, Madison, Wisconsin, as required by section 227.021, Wis. Stats.

I further certify that the chairman of the Senate Commerce Committee and the chairman of the Assembly Committee on Insurance and Banking acknowledged receipt, under date of March 20, 1975, of my letter dated March 20, 1975, as to the proposed amendment of chapter CU 54.01 (intro. para.) and subsections (1), (2) and (5)(a) and the creation of chapter 54.06(1), (2), (3), (4)(a) and (4)(b), Wisconsin Administrative Code, Rules of the Office of the Commissioner of Credit Unions.

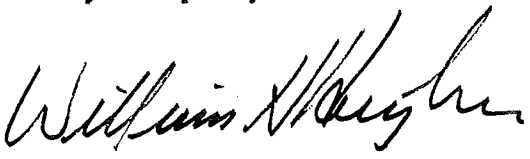
CERTIFICATE (Continued)

I further certify that thirty (30) days have passed since the aforementioned notification and acknowledgements, during which time I have not been requested by said chairmen to appear before either committee relative to the annexed proposed amendments to rules and creation of rules and regulations.

I further certify that the annexed amendments to chapter 54.01 (Intro. para.) and subsections (1), (2) and (5)(a) and creation of chapter CU 54.06(1), (2), (3), (4)(a) and (4)(b) to the Wisconsin Administrative Code, Rules of the Office of the Commissioner of Credit Unions, have been compared by me with the original on file in this department and that the same is a true copy thereof, and of the whole of such original and that section 227.018(2), chapter 162, Laws of 1973, has been complied with.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the official seal of the department at the Office of the Commissioner of Credit Unions in the City of Madison, this Twenty-Fifth Day of April, A. D. 1975.

By



William H. Hughes, Commissioner

ORDER OF THE OFFICE OF THE COMMISSIONER OF CREDIT UNIONS

ADOPTING, AMENDING OR REPEALING RULES

Pursuant to authority vested in the Office of the Commissioner of Credit Unions by section 186.23, Wis. Stats., the Commissioner of Credit Unions hereby repeals, amends, and adopts rules as follows:

Chapter CU 54.01 Limitation on real estate mortgages. (Intro. para.) of the WISCONSIN ADMINISTRATIVE CODE, is amended to read:

CU 54.01 Limitation on real estate mortgages. Any credit union whose assets are in excess of \$500,000 may invest in real estate first mortgage loans to members out of surplus funds only, subject to the following restrictions:

Chapter CU 54.01(1), of the WISCONSIN ADMINISTRATIVE CODE, is amended to read:

- (1) The maximum individual loan shall be in ratio to the total assets:
 - (a) Total assets of \$500,000 to \$750,000—Maximum loan - \$12,500
 - (b) Total assets of \$750,000 to \$1,000,000—Maximum loan - \$15,000
 - (c) Total assets of \$1,000,000 to \$1,500,000—Maximum loan - \$20,000
 - (d) Total assets of \$1,500,000 to \$2,000,000—Maximum loan - \$25,000
 - (e) Total assets of \$2,000,000 to \$3,000,000—Maximum loan - \$30,000
 - (f) Total assets of \$3,000,000 to \$4,000,000—Maximum loan - \$35,000
 - (g) Total assets of \$4,000,000 to \$5,000,000—Maximum loan - \$40,000
 - (h) Total assets of \$5,000,000 or over—Maximum loan - \$50,000

Chapter CU 54.01(2) of the WISCONSIN ADMINISTRATIVE CODE, is amended to read:

- (2) The total aggregate of real estate mortgage loans shall not exceed:
 - (a) Total assets of \$500,000 to \$750,000 — 42½% of total assets
 - (b) Total assets of \$750,000 to \$1,000,000 — 45% of total assets
 - (c) Total assets of \$1,000,000 and over—50% of total assets

Chapter CU 54.01(5)(a) of the WISCONSIN ADMINISTRATIVE CODE is amended to read:

(a) No real estate mortgage shall be made for a period in excess of 25 years and, at the discretion of the board of directors it may be amortized monthly by payments of principal and interest;

Chapter CU 54.06 of the WISCONSIN ADMINISTRATIVE CODE is created to read as follows:

CU 54.06(1) Subject to the requirements of subsection (2) and subsection (3) and provided authority to do so is contained in the credit union corporate minutes, the commissioner hereby grants authority to credit unions with assets of \$750,000 or more to grant personal loans for any purpose, including the purchase of improved or unimproved real estate on the basis of primary collateral consisting of a first mortgage on real estate.

ORDER OF THE OFFICE OF THE COMMISSIONER OF CREDIT UNIONS

ADOPTING, AMENDING OR REPEALING RULES (CONTINUED)

(2) Each personal loan secured by a first mortgage on real estate shall be supported by the documents and information required for personal loans secured by subordinate real estate mortgages detailed in CU 54.05(2).

(3) The maximum individual personal loan secured by a first mortgage on real estate shall be in ratio to the credit union assets and for a term of not more than ten years:

| | |
|------------------------------------------------|-------------------------|
| (a) Total assets of \$ 750,000 to \$1,000,000 | Maximum loan - \$ 5,000 |
| (b) Total assets of \$1,000,000 to \$2,000,000 | Maximum loan - \$ 6,000 |
| (c) Total assets of \$2,000,000 to \$3,000,000 | Maximum loan - \$ 7,000 |
| (d) Total assets of \$3,000,000 to \$4,000,000 | Maximum loan - \$ 8,000 |
| (e) Total assets of \$4,000,000 to \$5,000,000 | Maximum loan - \$ 9,000 |
| (f) Total assets of \$5,000,000 or more | Maximum loan - \$10,000 |

(4)(a) Credit unions with assets of \$5,000,000 or more may grant personal loans for agricultural purposes in excess of \$10,000 secured with a first mortgage on the applicant's farm(s) and such loans shall be subject only to the requirements of CU 54.01(4), CU 54.03 and CU 54.04.

(b) With the prior written approval of the commissioner, credit unions with assets of less than \$5,000,000 may grant personal loans for agricultural purposes in excess of \$10,000 subject to the requirements contained in subsection (a).

The rule contained herein shall take effect as provided in section 227.026(1), Wis. Stats.

Dated: April 25, 1975

OFFICE OF THE COMMISSIONER OF CREDIT UNIONS

By


William H. Hughes, Commissioner