

No. 365, S.]

[Published July 3, 1933.]

CHAPTER 354.

AN ACT to create section 215.50 of the statutes, relating to a building and loan finance corporation.

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

SECTION 1. A new section is added to the statutes to read: 215.50 (1) BUILDING AND LOAN FINANCE CORPORATION; INCORPORATION; ORGANIZATION CERTIFICATE. When authorized by the commissioner of banking, ten or more building and loan associations, the aggregate resources of which shall not be less than five million dollars, may form the "Building and Loan Finance Corporation". Each of such associations shall subscribe, acknowledge and submit to the commissioner of banking an organization certificate in duplicate which shall specifically state:

- (a) The name "Building and Loan Finance Corporation".
- (b) The place in the state where its business is to be transacted.
- (c) The number of shares for which each association has subscribed, which shall amount in the aggregate to not less than ten thousand dollars.
- (d) The number of directors of such building and loan finance corporation, which shall not be less than nine, and the names of the persons who shall be its directors until the first annual meeting. The certificate shall recite that the directors possess the qualifications specified in subsection (10) of this section.
- (e) The name and location of the business office of each building and loan association subscribing the certificate and the aggregate resources of each such association.

(2) PROPOSED BY-LAWS. The incorporators shall subscribe and acknowledge and submit to the commissioner of banking proposed by-laws in duplicate, which shall prescribe the manner in which the business of such building and loan finance corporation shall be conducted with reference to the following matters:

- (a) The date during the month of January of the annual meeting of shareholders; the manner of calling special meetings, and the number of members which shall constitute a quorum.
- (b) The number and qualifications of directors, subject to the provisions of subsection (10) of this section; the method of division into classes for the purpose of electing, as nearly as may be,

an equal number of directors each year; the removal or suspension of directors; the filling of vacancies in the board of directors, and the number of directors which shall constitute a quorum, which shall not be less than five.

(c) The meetings, powers and duties of directors; the appointment or election of appraisal, supervisory and auditing committees.

(d) The officers; the manner of their election; their terms of office, duties and compensation; and the bonds which shall be required of officers who have the custody or possession of money, securities or property of the building and loan finance corporation.

(e) The annual commission that may be charged each member, subject to the limitations of subsection (9) of this section.

(f) The transfer of membership, subject to the limitations of subsection (8) of this section.

(g) The manner in which the by-laws may be altered or amended.

(3) WHEN CORPORATE EXISTENCE BEGINS; CONDITIONS PRECEDENT TO COMMENCING BUSINESS.

When the commissioner of banking shall have endorsed his approval on the organization certificate, the corporate existence of the building and loan finance corporation shall begin and it shall then have power to elect officers and transact such other business as relates to its organizations; but such building and loan finance corporation shall transact no other business until:

(a) Subscriptions to its shares aggregating one hundred thousand dollars shall have been paid in cash and an affidavit stating that such subscriptions have been so paid, subscribed and sworn to by its two principal officers, shall have been filed with the secretary of state and a certified copy thereof in the office of the commissioner of banking.

(b) The commissioner of banking shall have duly issued to it an authorization certificate.

(4) GENERAL POWERS. In addition to the powers conferred by the general corporation law the building and loan finance corporation shall, subject to the restrictions and limitations contained in this section and its by-laws, have the following powers:

(a) To issue, sell and redeem bonds and notes secured by bonds and first mortgages made to or held by member associations.

(b) To receive money or property from its members and from other associations, corporations and persons with whom it has contracts, engagements or undertakings, in instalments or other-

wise; to enter into any contract engagement or undertaking with such associations, corporations or persons for the withdrawal of such money or property, with any increase thereof, or for the payment to them or to any association, corporation or person of any sum of money, at any time, either fixed or uncertain; to lend money to building and loan associations upon the security of their promissory notes with or without collateral.

(c) To invest its capital and other funds in bonds secured by first mortgages of real estate situated within the territory in which its members are authorized to make loans; and in bonds and notes of the United States, the state of Wisconsin, and the political subdivisions of this state.

(d) To receive by assignment from its members and to deposit in trust with the annuity and investment board to be held by it as security for its and their outstanding obligations any first mortgages of real estate and the bonds secured thereby that are legally receivable by building and loan associations; to empower such building and loan associations as agents of the building and loan finance corporation to collect and immediately pay over to the building and loan finance corporation the dues, interest and other sums payable under the terms, conditions and covenants of the bonds and mortgages or, prior to a default upon any such bond and mortgage so assigned and when adequate security has been given to the building and loan finance corporation, by any such building and loan association, to retain such collections until a payment to the building and loan finance corporation from such building and loan association becomes due; to return to, or permit such building and loan associations to retain any sums of money so collected in excess of the amount required to meet the obligations of such associations respectively.

(e) To purchase in its own name, hold and convey real property for the following purposes and no others:

1. A plot whereon there is or may be erected a building suitable for the convenient transaction of its business, from portions of which not required for its own use a revenue may be derived.

2. Such as shall be mortgaged to it in good faith, by way of security for loans made by it or moneys due to it.

3. Such as shall be conveyed to it for debts previously contracted in the course of its business, and such as it shall purchase at sales under judgments, decrees or mortgages held by it.

(f) To designate as depositories of its funds any bank, trust company, or savings bank of this state, or any national banking association located in this state doing a banking business under the laws of the United States.

(g) To borrow money from the state teachers' retirement fund, the state insurance fund, and from any other state investment fund.

(5) RESTRICTIONS UPON THE POWERS OF THE BUILDING AND LOAN FINANCE CORPORATION. The building and loan finance corporation shall not:

(a) Do a general deposit business.

(b) Invest its capital and other funds in bonds secured by first mortgages on real estate if the amount secured by any such mortgage is in excess of sixty per centum of the appraised value of such real estate, or receive from its members bonds and mortgages on farm lands if the amount secured by any such mortgage is in excess of seventy-five per centum of the appraised value of such real estate.

(c) Invest more than twenty-five per centum of its surplus in real estate occupied, or to be occupied, by it for office purposes, without the written approval of the commissioner of banking.

(d) Incur any indebtedness upon notes and bonds in excess of twenty times the amount of its capital, nor issue bonds on behalf of any of its members in excess of twenty times the amount of the shares of such capital held by such member or in excess of eighty per centum of the value of the collateral security pledged therefor to such building and loan finance corporation.

(6) ISSUING OF BONDS. Bonds shall be issued in series of not less than ten thousand dollars. All bonds issued by the building and loan finance corporation may be called on any interest day at one hundred and two and one-half per centum and interest by giving notice of not less than sixty days in a newspaper having a general circulation in the state. Any member association which is not indebted for borrowed money to any other bank or trust company which does business exclusively with the building and loan finance corporation shall submit a schedule of assets from time to time as the board of directors of such finance corporation shall require. Any member association which may have a loan from any other banking institution may borrow money from such building and loan finance corporation upon pledging therefor such amount of its mortgages with the bonds secured thereby as collat-

eral security for bonds issued on its behalf as the commissioner of banking and the board of directors of such building and loan finance corporation may require; provided that the aggregate of all loans made by such building and loan association shall not exceed forty per cent of its assets as provided in section 215.07. The amortization payments upon all mortgages accepted by the building and loan finance corporation as collateral security for bonds shall be sufficient to liquidate the debt in a period not exceeding forty years. In the event of any default for more than ninety days in the payment of the principal of, or for more than ninety days in the payment of any instalment of interest upon, any of said bonds, the commissioner of banking may, of his own motion, and shall, upon the request in writing of the holders of said bonds in default to the amount of ten thousand dollars, forthwith take possession of and proceed to liquidate the building and loan finance corporation. Upon such liquidation he shall be entitled in the name of the building and loan finance corporation to enforce all of its rights and securities and to collect and realize upon all of its assets, including all mortgages assigned to the said building and loan finance corporation by the several member associations, and deposited with the state treasurer, up to the amounts advanced by the building and loan finance corporation to the several member associations thereon. Upon any such liquidation all said bonds then issued and outstanding shall forthwith become due and payable equally and ratably out of all the assets of said building and loan finance corporation in advance of any other debts thereof not specifically preferred by law.

(7) GUARANTY FUND. The building and loan finance corporation shall accumulate from its profits a guaranty fund by carrying thereto annually a sum equal to one-half of one per centum of its capital, until such guaranty fund shall be equal to at least fifteen per centum of such capital.

(8) MEMBERSHIP; LIABILITY; TRANSFER OF SHARES. (a) Every member shall pay one thousand dollars for each share of the capital of the building and loan finance corporation issued to it, provided that no association shall subscribe for or hold shares of such capital to an amount in excess of ten per centum of the resources of such association.

(b) Every such member shall be individually responsible, equally and ratably, and not one for another, for all contracts, debts, and engagements of the building and loan finance corporation, to

the extent of the amount of its shares therein at the par value of one thousand dollars each, in addition to the amount invested in such shares. Such shares shall not be transferable, except that a member, which is not liable to the building and loan finance corporation for any obligation direct or contingent, may transfer its shares therein to another building and loan association, by and with the consent of the board of directors of the building and loan finance corporation; or it may retire from membership and receive back such sums as it has paid for its shares, upon giving one year's notice in writing of such intention, but no withdrawal shall be permitted by the board of directors, which shall reduce the total amount of the capital of the building and loan finance corporation below one hundred thousand dollars.

(9) COMMISSIONS AND PAYMENT OF EXPENSES.

The building and loan finance corporation may charge each member an annual commission, not to exceed one-half of one per centum, upon the outstanding debenture bonds issued in its behalf, provided that the rate of commission in any year shall be the same on all outstanding bonds; or in lieu of charging such commission the expenses incurred on account of any debenture bond issue may be charged to the association on whose behalf such bonds are issued, and the general expenses of the building and loan finance corporation assessed against the members in proportion to the bonds issued for them.

(10) QUALIFICATIONS AND DISQUALIFICATIONS OF DIRECTORS; BOND. All of the directors of the building and loan finance corporation must reside in the state of Wisconsin during their term of office, and all must be citizens of the United States. No person shall be elected a director unless he is a shareholder of a member association and has been nominated by it for that office; and every person elected to be a director who, after such election, shall cease to be a shareholder of a member association, shall cease to be a director of the building and loan finance corporation, and his office shall be vacant. Directors who have the custody or possession of money, securities or property shall give bond to the building and loan finance corporation in an amount commensurate with their liability, as approved by the commissioner of banking.

(11) OATH OF DIRECTORS. Each director, when appointed or elected, shall take an oath that he will, so far as the duty devolves upon him, diligently and honestly administer the

affairs of the building and loan finance corporation, and will not knowingly violate, or willingly permit to be violated, any of the provisions of law applicable to such corporation and that he is the owner in good faith and in his own right on the books of the association which nominated him of five shares of paid-up stock, or other shares of the withdrawal value of five shares of paid-up stock, and that the same is not hypothecated, or in any way pledged as security for any loan or debt and, in case of reelection that such share was not hypothecated or in any way pledged as security for any loan or debt during his previous term. Such oath shall be subscribed by the directors and officers making it, and certified by an officer authorized by law to administer oaths, and immediately transmitted to the commissioner of banking.

(12) CHANGE OF NUMBER OF DIRECTORS. The members of the building and loan finance corporation may at any time change the number of its directors by amending its by-laws in accordance with the provisions of this section.

(13) OFFICERS; POWERS; DUTIES AND COMPENSATION. (a) The by-laws of the building and loan finance corporation shall specify its officers, the manner of their election, and their terms of office.

(b) The officers who have the custody or possession of money, securities, or property shall give bond to the association as provided in the by-laws. They shall receive such compensation as is prescribed in the by-laws and shall hold office until their successors are elected and have qualified.

(14) ANNUAL MEETING; NOTICE; VOTING. The annual meeting of the building and loan finance corporation, for the election of directors, shall be held at its principal place of business in January in each year. Notice of the time and place of holding such election shall be given by mailing a copy of such notice postage prepaid to each shareholder of the building and loan finance corporation ten days before the holding of such meeting. Each member shall be entitled to one vote for every share of the capital standing in its name on the books of the building and loan finance corporation.

(15) PREFERENCE OF CREDITS. All the property of any bank, trust company or building and loan association which shall become insolvent shall be applied by the trustees, assignees or receivers thereof or by the commissioner of banking in the first place to the payment in full of any sum or sums of money

deposited therewith by the building and loan finance corporation or due to the building and loan finance corporation for subscriptions, sinking funds, interest and principal of bonds, or guaranty of mortgages, ratably and proportionately but not to an amount exceeding that authorized to be so deposited or contracted by the provisions of this section and in accordance and on an equality with any other preference provided for in this section.

(16) BUILDING AND LOAN FINANCE CORPORATION AND ITS DEBENTURES NOT LIABLE FOR TAXATION. (a) The debentures issued by the building and loan finance corporation and the building and loan finance corporation itself, together with its capital, accumulations and funds, shall have the same exemption from taxation as building and loan associations. No law which taxes corporations in any form, or the shares thereof, or the accumulations therein, shall be deemed to include the building and loan finance corporation or its issues of debenture bonds unless they are specifically named in such law.

SECTION 2. This act shall take effect upon passage and publication.

Approved June 30, 1933.

No. 166, A.]

[Published July 3, 1933.

CHAPTER 355.

AN ACT to amend paragraph (b) of subsection (6) of section 6.185, subsection (2) of section 6.44 and subsection (1) of section 10.17 of the statutes, relating to registration of electors.

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

SECTION 1. Paragraph (b) of subsection (6) of section 6.185, subsection (2) of section 6.44 and subsection (1) of section 10.17 of the statutes are amended to read: (6.185) (6) (b) Any person who has not previously filed a registration card, but who is a qualified elector in the precinct where he offers to vote, shall, nevertheless, be entitled to vote at such primary or election, providing he shall deliver to the inspectors of election a registration card properly filled out and sworn to by himself, or, if he cannot obtain such a card, an affidavit stating the same facts as provided on said card; and, provided that his oath or affidavit is substantiated by the affidavit of two freeholders, electors in such precinct, corroborating all the material statements therein. The clerk shall