

1973 Assembly Bill 553

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CHAPTER 205, Laws of 1973

AN ACT to amend 215.02 (9), 215.13 (39), 215.16 (8), 215.21 (5) (a), (14), (22), (25) and (27), 215.23 (3) and 215.24 (2), (4) and (5) (a) 1; and to repeal and recreate 215.24 (1) and 215.25 (1) of the statutes, relating to various alterations in the regulation of savings and loan associations.

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

SECTION 1. 215.02 (9) of the statutes is amended to read:

215.02 (9) APPROVAL OF ACTS. Whenever any association requests approval of the commissioner for any act, which by statute requires such approval, he shall have 90 days in which to grant or deny such approval. If he fails to act, approval shall be deemed to have been granted. In matters which require the holding of public hearings, the 90-day period shall not commence until the conclusion of the hearing and the date set by the commissioner for receipt of briefs.

SECTION 2. 215.13 (39) of the statutes is amended to read:

215.13 (39) BRANCHES. Subject to the approval of the commissioner, any savings and loan association may establish and maintain one or more branch offices within the normal lending area of the home office, as defined in s. 215.21 (2). In his approval, the commissioner may limit the powers of the branch. Savings and loan associations may promote thrift in their local schools by accepting payments in the school upon savings accounts of the teachers and pupils.

SECTION 3. 215.16 (8) of the statutes is amended to read:

215.16 (8) COMPUTATION OF EARNINGS DISTRIBUTION. The distribution of earnings, ~~including bonus payments,~~ shall be computed by a uniform ~~method~~ methods prescribed by the commissioner.

SECTION 4. 215.21 (5) (a), (14), (22), (25) and (27) of the statutes are amended to read:

215.21 (5) (a) The aggregate of loans that an association may make to any one borrower shall be ~~limited by the total amount of its assets as follows: \$5,000, if the assets are less than \$50,000; \$7,500, if the assets range from \$50,000 to \$100,000; \$10,000, if the assets range from \$100,000 to \$200,000; \$20,000, if the assets range from \$200,000 to \$500,000; \$25,000, if the assets range from \$500,000 to \$1,000,000.~~ The aggregate of loans that an association may make to any one borrower, when the total assets exceed \$1,000,000, shall be subject to such limits as determined and prescribed by the commissioner and review board but shall not be in excess of 10 per cent $\%$ of savings capital or the total of general reserves and undivided profits, whichever is the lesser.

(14) SELLING LOANS. Except as otherwise prescribed in s. 215.13 (22) an association may sell mortgage loans, without recourse, to any person, and service such loans for the purchaser in accordance with a duly executed servicing agreement. The aggregate of loans sold in any calendar year shall not exceed ~~20 per cent of the total loans in force at the end of the preceding year~~ such limits as may be set by the commissioner and review board.

(22) PROHIBITED LOANS. No corporation whose officers, directors or employes are officers, directors or employes of an association shall be eligible for a mortgage loan from that association. This subsection shall not apply to nonprofit, religious, charitable or fraternal corporations, or corporations the shares of which are held only by savings and loan associations.

(25) LOANS DUE, WHEN. Whenever a borrower is in arrears in any contractual payments, whether principal, interest, taxes or insurance, the board of directors may call his whole loan becomes due and payable as provided in the mortgage note.

(27) (title) LIMITATION OF LOANS IN EXCESS OF \$400,000. The aggregate of loans in excess of ~~\$200,000~~ \$400,000 shall not exceed 20% of the association's total assets. Loans in excess of ~~\$200,000~~ \$400,000 shall also be subject to the specific percentage category limitation of its own type or class of real estate security. When the principal balance of any loan under this subsection is reduced to 55% of its original appraisal, the loan shall no longer be subject to the limitations imposed by this subsection.

SECTION 5. 215.23 (3) of the statutes is amended to read:

215.23 (3) With the approval of the commissioner, any association may invest an amount not in excess of 25 ~~per cent~~ $\%$ of its total general reserves and undivided profits to remodel or modernize a leased building, or part thereof, to be occupied by the association as its office, ~~which lease runs for a period of at least 10 years,~~ and acquire, by purchase or leasehold, additional land to be used as a parking lot.

SECTION 6. 215.24 (1) of the statutes is repealed and recreated to read:

215.24 (1) CLOSING BOOKS. Each association shall close its books at least once annually and at such other times as the commissioner may require. The date of the annual fiscal closing may, subject to the rules of the commissioner, be March 31, June 30, September 30 or December 31.

SECTION 7. 215.24 (2), (4) and (5) (a) 1 of the statutes are amended to read:

215.24 (2) DISPOSITION OF NET INCOME. Out of the net income of any period, whether such period is an interval of 3 months or 6 months, the board of directors shall make appropriate transfers to the legal reserve and other designated reserves, declare the earnings rate and transfer any remaining portion thereof to either the legal reserve or, undivided profits or earned surplus.

(4) ESTABLISHMENT OF LEGAL RESERVE. ~~Before any earnings rate shall be declared, a certain portion of the net income of the period amount,~~ as determined by the commissioner and review board shall be transferred to the legal reserve at the close of each period. The commissioner and review board shall not require an amount in excess of 10% of the sum of the net income of the period plus the amount of earnings distributed during the period.

(5) (a) 1. Transfers ~~from the net income of any period~~ to the legal reserve shall be made as provided in sub. (4) until the ~~aggregate of the legal reserve, other general reserves and undivided profits~~ net worth reaches such level as is from time to time prescribed by the commissioner.

SECTION 8. 215.25 (1) of the statutes is repealed and recreated to read:

215.25 (1) AUDIT REQUIREMENTS. Each association shall be audited at least once in each fiscal year by auditors and in a manner satisfactory to the commissioner in accordance with the policies established by the commissioner. The auditors are to be designated by the board of directors and must be independent, certified public accountants certified in this state. In lieu of audits by independent, certified public accountants, the board of directors may request an audit of the books and accounts to be made by the commissioner to check the assets of the association and to determine losses, which request the commissioner may refuse. The commissioner may at any time make or cause to be made an audit of any association, with appraisals, when deemed advisable. Associations shall promptly file with the commissioner a copy of the report of each audit, other than audits made by the commissioner. The cost of any audit made pursuant to this section shall be paid by the association audited.
