

Chapter S-L 8

OTHER REQUIREMENTS

- S-L 8.01 Liquidity reserve requirement; definitions
- S-L 8.02 Requirements for organization of a new savings and loan association
- S-L 8.03 Minimum surety bond requirements

S-L 8.01 Liquidity reserve requirement. (1) DEFINITIONS:

(a) "Loan", as used herein, shall be deemed to have been made as of the date of the note or bond evidencing same, and a loan shall be deemed to have been purchased as of the date of payment thereof.

(b) "Cash", as used herein, shall mean cash on hand and on deposit in depository banks.

(c) "Obligations of the United States", as used herein, shall mean all unpledged evidences of indebtedness issued by the United States and all unpledged evidences of indebtedness issued by any agency or instrumentality of the United States which are by statute fully guaranteed as to principal and interest by the United States.

(2) All state-chartered savings and loan associations shall at all times maintain a total of cash and obligations of the United States of not less than 6% of their repurchasable shares.

(3) Whenever the total of cash and obligations of the United States is less than 6% of the repurchasable shares, state-chartered savings and loan associations shall not make or purchase any loan, other than share loans made on the sole security of repurchasable shares.

S-L 8.02 Requirements for the organization of a new savings and loan association. (1) DEFINITION OF AREA. The area, in which the new savings and loan association will operate, is determined to be within a 25-mile radius of its proposed office.

(2) MINIMUM CAPITAL AND MEMBERSHIP.

<i>Area Population</i>	<i>Minimum Paid in Capital</i>	<i>Minimum Number of Members</i>
Up to 50,000 -----	\$100,000	150
50,000 to 100,000 -----	150,000	200
Over 100,000 -----	250,000	300

(3) GUARANTEEING OF OPERATING EXPENSES. The organizers and/or the first board of directors of the proposed savings and loan association shall guarantee the payment of all expenses for a period of 3 years, and such persons shall enter into an agreement with the savings and loan department that any money they have invested in the association, as a part of the minimum share capital requirement, shall not be withdrawn or hypothecated during the first 3 years of business, and that a statement of such restriction be typed upon each such share certificate.

(4) **MEMBERSHIP IN THE FEDERAL HOME LOAN BANK AND INSURANCE OF SHARES BY THE FEDERAL SAVINGS AND LOAN INSURANCE CORPORATION.** No charter shall be granted by the commissioner of savings and loan associations until the proposed association shall have been accepted for membership in the federal home loan bank of Chicago, and its application for insurance of share accounts approved by the federal savings and loan insurance corporation.

(5) **INDEPENDENT OFFICE.** No charter shall be granted by the commissioner of savings and loan associations unless the proposed association operates from an independent office.

S-L 8.03 Minimum surety bond requirements. Each savings and loan association, operating under the provisions of chapter 215, Wis. Stats., shall provide and maintain a surety bond in minimum amounts computed on total assets plus the unpaid balances of mortgages it is servicing for others as follows:

Not over \$300,000	\$10,000 plus \$5,000 for each \$100,000 or fraction thereof over \$100,000
\$ 300,001-\$ 1,000,000	\$30,000 plus \$10,000 for each \$100,000 or fraction thereof over \$400,000
\$ 1,000,001-\$ 10,000,000	\$100,000 plus \$20,000 for each \$1,000,000 or fraction thereof over \$2,000,000
\$ 10,000,001-\$ 30,000,000	\$300,000 plus \$40,000 for each \$5,000,000 or fraction thereof over \$15,000,000
\$ 30,000,001-\$ 60,000,000	\$470,000 plus \$50,000 for each \$10,000,000 or fraction thereof over \$40,000,000
\$ 60,000,001-\$100,000,000	\$630,000 plus \$60,000 for each \$15,000,000 or fraction thereof over \$70,000,000
\$100,000,001 and over	\$820,000 plus \$70,000 for each \$25,000,000 or fraction thereof over \$125,000,000

No association shall be required to provide and maintain a surety bond in an amount greater than \$2,000,000.

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