

CHAPTER 192

AN ACT to repeal and recreate 186.09 of the statutes, relating to credit union loans.

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

186.09 of the statutes is repealed and recreated to read:

186.09 LOANS. (1) The credit union may make loans to members for such purpose and upon such terms as the credit committee approves, at rates of interest not to exceed one per cent per month on the unpaid balance.

(2) The credit committee, with the approval of the board of directors, may appoint one or more loan officers to act in its behalf. Loan officers may not approve loans which by law require collateral, except where a certificate of authority for such loans has been granted by the commissioner of banks. Each loan officer shall furnish to the credit committee a record of each loan approved or not approved by him within 7 days of the date of the filing of the application. All loans not approved by the loan officer shall be acted upon by the credit committee. The applicant for a loan may appeal the decision of the credit committee to the board of directors.

(3) Every application for a loan shall be in writing and shall state the purpose for which the loan is desired and the security or collateral offered, if any.

(4) Approval of loans shall be the responsibility of the credit committee or its loan officers, except where application for loans are made by members of the credit committee or the loan officers. No loan shall be made unless approved by the majority of the credit committee or by a loan officer, except that the board of directors shall act on the applications of credit committee members and loan officers and applications appealed to it by members.

(5) No loans shall be made to any member in excess of \$100, or 10 per cent of the credit union's assets, whichever is greater; plus the balance of his share account pledged as security for such loan, but these limitations shall not apply to loans made to member credit unions by a central credit union.

(6) (a) Loans to individuals which in the aggregate exceed the amounts shown in the schedule below shall be secured by collateral having a value which, in the opinion of the credit committee or loan officer, is at least equal to any amount exceeding this schedule:

1. \$250, in credit unions with assets of less than \$5,000;
2. \$500, in credit unions with assets of \$5,000 and less than \$25,000;
3. \$750, in credit unions with assets of \$25,000 and less than \$50,000;
4. \$1,000, in credit unions with assets of \$50,000 or more.

(b) This subsection does not preclude the credit committee or loan officer from requiring security on any loan. Where such loans are secured by one or more co-makers, such co-makers shall furnish the credit union with written evidence of financial responsibility.

(7) The commissioner of banks may establish rules increasing the loan limits specified in sub. (6).

(8) The credit committee may approve in advance upon its own motion or upon application by a member, an extension of credit, and loans may be granted to such member within the limit of such extension of

credit. Where an extension of credit has been approved, applications for loans need no further consideration as long as the aggregate obligation does not exceed the limit of such extension of credit. The credit committee shall, at least once a year, review all extensions of credit and any extension of credit shall expire if the member becomes more than 90 days delinquent in his obligations to the credit union.

(9) A borrower may pay the whole or part of his loan on any day the credit union is open for business.

(10) Loans to members secured by first mortgages on real estate may be made subject to the rules prescribed by the commissioner of banks.

Approved August 9, 1965.
