

CHAPTER 140, Laws of 1977

AN ACT to repeal 215.21 (20), (22), (26), (27) and (29); to amend 215.02 (16) (a), 215.03 (6) (a) 3, (7) (b) and (8) (a), 215.20 (2), 215.21 (1) (intro.) and (a), 215.26 (5) and 215.43 (5) (a); to repeal and recreate 215.21 (7) (d), (16) and (17) and 215.40 (7); and to create 215.02 (17) of the statutes, relating to miscellaneous savings and loan provisions.

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

SECTION 1. 215.02 (16) (a) of the statutes is amended to read:

215.02 (16) (a) *Capital fees.* On or before July 15 of each year, every association carrying on business in this state, except federal associations, shall pay to the commissioner an annual capital fee of \$25.

SECTION 1m. 215.02 (17) of the statutes is created to read:

215.02 (17) TESTIMONIAL POWERS. (a) The office may, in relation to any matter within its powers, issue subpoenas and take testimony.

(b) Witnesses shall be entitled to the same fees as are allowed to witnesses in courts of record. Such fees shall be audited and paid by the state in the same manner as other expenses of the office are audited and paid. No witness subpoenaed at the instance of any party other than the office shall be entitled to payment of fees by the state, unless the office certifies that the testimony of the witness was material to the hearing or proceeding.

(c) No person may, without reasonable cause, fail to comply with a subpoena issued under this subsection, nor refuse to be sworn or to be examined, or to answer a proper question or produce a pertinent document, when ordered to do so by the official conducting the investigation or proceeding.

SECTION 2. 215.03 (6) (a) 3, (7) (b) and (8) (a) of the statutes are amended to read:

215.03 (6) (a) 3. Attached to the annual report shall be a copy of a printed statement of condition, and operations as of ~~December 31~~ the end of the association's most recent fiscal year, which shall be available to the savers of the association and, in the case of a stock association, its stockholders. The printed statement shall contain such information as the commissioner may by rule prescribe.

(7) (b) Any association, which determines to move its main office or branch to some other location more than one mile from its then location, shall make an application to the commissioner. The commissioner ~~shall hold a public hearing on such application and~~ shall give notice thereof and provide an opportunity for hearing as provided in s. 215.40 (7). In approving or denying ~~such the~~ application for relocation, the commissioner shall ascertain the need for ~~such~~ relocation and determine whether undue harm or injury would be caused to any properly conducted association or branch now doing business in the area or vicinity of the proposed relocation.

(8) (a) Any association desiring to establish ~~one or more~~ a branch ~~offices~~ office, subject to the limitations of s. 215.13 (39), shall ~~make application~~ apply to the commissioner in such form as ~~he~~ the commissioner prescribes, giving such information as the commissioner requires. Each application shall be accompanied by a fee of \$500. The commissioner ~~shall assign a date and place for hearing on the application and~~ shall give notice thereof and provide an opportunity for hearing as provided in s. 215.40 (7). The commissioner ~~shall have discretionary power in granting~~ may grant certificates of authority to maintain and operate branch offices. ~~He or~~ may refuse to

issue ~~such~~ certificates when, in ~~his~~ the commissioner's opinion, such branch is not in the best interests of the public, or when other good and sufficient reasons exist for ~~such~~ refusal.

SECTION 3. 215.20 (2) of the statutes is amended to read:

215.20 (2) An association may make, buy, sell and hold property improvement loans to such persons, for such purposes, in such individual and aggregate amounts, and upon such terms as the commissioner by rule prescribes, ~~but all within the limitations applicable to federal savings and loan associations.~~

SECTION 4. 215.21 (1) (intro.) and (a) of the statutes are amended to read:

215.21 (1) (intro.) Associations Subject to such additional limitations as the commissioner may prescribe associations may make loans on the security of:

(a) First liens A mortgage on real estate which evidences title of owned by the borrower in fee simple if the aggregate value of the mortgage and any current balance of any mortgage, lien and encumbrances does not exceed the appraised value of the real estate; or

SECTION 5. 215.21 (7) (d), (16) and (17) of the statutes are repealed and recreated to read:

215.21 (7) (d) Vacant lands, subject to the limitations under sub. (16) (a).

(16) UNACCEPTABLE TYPES OF SECURITY. (a) An association may not make a mortgage loan on the security of vacant land, except:

1. A loan made to develop or to acquire and develop land for primarily residential purposes may be secured by the land to be developed.

2. A loan made to a builder to construct residential property may be secured by a lot suitable for the construction of a home.

3. A loan made to acquire a building site for future construction of a personal residence may be secured by the building site.

4. A loan made to acquire land for use in connection with a farm operated for profit may be secured by that land.

(b) An association may not make a mortgage loan on the security of real estate in which an officer, director or employe of the association or his or her spouse has an interest. This paragraph does not apply to home-type property containing 4 dwelling units or less personally used by the borrower as a place of residence.

(c) Nothing in this section shall prevent any property from being pledged as additional collateral for a loan as long as the value of the unacceptable security is not used to determine the appraised value of the real estate security upon which the loan is based.

(17) PROHIBITED LOANS. (a) No association may directly or indirectly make a mortgage loan to an officer, director or employe of the association.

(b) Without the prior written approval of the commissioner, no association may directly or indirectly make a mortgage loan to:

1. A business venture employing an officer, director or employe of the association.

2. Such other persons as the commissioner may by rule designate to avoid conflicts between the best interests of the association and the interests of its officers, directors or employes.

(c) In this subsection "business venture" means any partnership, joint venture, corporation or similar entity.

(d) This subsection does not apply to loans made:

1. On the security of home-type property containing 4 dwelling units or less and used by the borrower as his or her residence; or

2. To a nonprofit, religious, charitable or fraternal organization or a corporation in which the association has been authorized to invest by the commissioner.

SECTION 6. 215.21 (20), (22), (26), (27) and (29) of the statutes are repealed.

SECTION 7. 215.26 (5) of the statutes is amended to read:

215.26 (5) LEGAL HOLIDAYS. No association shall transact business or be open for the purpose of transacting business on Sundays. The commissioner shall designate such of the legal holidays listed in s. 256.17 as days on which no association ~~shall~~ may transact business or be open for the purpose of transacting business. For purposes of this subsection, operation of a remote service unit as defined in s. 215.13 (46) (a) 1 or an unstaffed facility does not constitute the transaction of business.

SECTION 8. 215.40 (7) of the statutes is repealed and recreated to read:

215.40 (7) NOTICE OF APPLICATIONS; HEARINGS. (a) Within 30 days after receiving a completed application the commissioner shall furnish a notice of application to the applicant and to each association authorized to operate an office within 4 miles of the proposed office if the office is to be located in Milwaukee county, or 20 miles of the proposed office if located elsewhere. The notice shall describe the location and nature of the proposed office and shall solicit written comments on the application. If a hearing on the application has been scheduled the notice shall also indicate the time and place of the hearing. If not, the notice shall notify interested persons of their right to request a hearing under par. (b) 2. The applicant shall publish the notice of application as a class 3 notice under ch. 985 in the city, town or village where the office is to be located and shall provide the commissioner with proof of its publication.

(b) The commissioner shall conduct a public hearing on the application if any of the following occur:

1. The applicant requests a hearing at the time of filing;
2. Within 3 days after publication of the notice of application any person planning to participate in a hearing on the application files with the commissioner a request for hearing; or
3. The commissioner determines that a hearing will be necessary or useful.

(c) If a hearing date was not indicated in the notice of application and a hearing is subsequently required, the commissioner shall give written notice of the time and place of the hearing to the applicant and to anyone who has requested a hearing, not later than 10 days in advance of the scheduled hearing.

SECTION 9. 215.43 (5) (a) of the statutes is amended to read:

215.43 (5) (a) Each saver in a mutual association shall have one vote for each \$100 or fraction thereof of the withdrawal value of the saver's savings accounts as they appear on the books of the association at the end of the 10th day preceding the date of the meeting at which the vote is taken. Each member as a borrower or obligor, shall have ~~such~~ the number of votes to which entitled as an owner of a savings account.