

1983 Senate Bill 434

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1983 Wisconsin Act 167

AN ACT *to repeal* 215.01 (12), (14) and (16), 215.02 (7) (b), 215.02 (10) (a) 3, 215.03 (3), 215.04 (1) (g), 215.13 (35), 215.14 (4), 215.14 (6) and (7), 215.17 (2), 215.17 (3) (title) and (a), 215.17 (4) to (7), 215.19 (4), 215.21 (9), 215.25 (1) (title), 215.25 (2), 215.32 (12), 215.43 (2), 215.43 (6) (title) and (b) and (7), 215.50 (12), 215.51 (5), 215.54, 215.55, 215.56 (7), 215.58 (1) (intro.) (exc. 215.58 (1) (title)), 215.58 (1) (c), 215.58 (2) and (3), 215.60 (2) (c) and (d), 215.60 (11) (a) 6 and 7, 215.63, 215.65, 215.66, 215.70

(2) (title) and (a), 215.70 (3) to (6), 215.70 (8), 215.70 (11) and (12), 215.71 (5), 215.74, 215.75 and 215.76 (7); *to renumber* 215.14 (5), 215.14 (8) to (12), 215.25 (1), 215.60 (2) (e), 215.60 (11) (a) 8 to 10, 215.70 (2) (b), 215.70 (7) (title) and 215.70 (9) and (10); *to renumber and amend* 215.02 (10) (a) 4, 215.17 (3) (b), 215.32 (1), 215.43 (3) to (5) and (6) (a), 215.50 (11), 215.53 (2), 215.56 (8) and (9), 215.58 (1) (d), 215.58 (4) to (7), 215.58 (8), 215.70 (7) (a) and 215.76 (8) and (9); *to amend* 215.01 (3), 215.01 (28), 215.02 (10) (title), 215.02 (11) (title) and (a), 215.13 (5) and (28), 215.13 (37), 215.13 (40) (intro.) and (b), 215.14 (1), 215.15 (1), 215.17 (1), 215.21 (18), 215.25 (title), 215.26 (8) (a) and (b) 3, 215.32 (2), (3), (4) and (6) (a) to (e), 215.32 (6) (f) to (h), (7) (a) 2 and 3 (intro.) and (d), (8) and (10), 215.33 (6), 215.40 (6) (a), (c) and (e) and (13) (a) 9, 215.43 (1), 215.53 (title), 215.58 (1) (b), 215.60 (2) (b), 215.60 (4) (d) and (11) (a) 4, 5 and 9, 215.61 (3) and (4), 215.73 (title) and 943.62 (2); *to repeal and recreate* 215.01 (17), (19) and (20), 215.02 (10) (a) 1 and 2, 215.13 (31), 215.13 (36), 215.14 (2), 215.15 (3), 215.16, 215.18, 215.24, 215.41 (1), 215.42 (1), 215.53 (1), 215.58 (1) (a), 215.60 (3), 215.61 (1), 215.62 (1), 215.67, 215.73 (1), 215.73 (2) (b) and 943.62 (2m); and *to create* 215.02 (6) (a) 5, 215.26 (9), 215.32 (1), 215.32 (6) (em), 215.35, 215.50 (11) (b), 215.53 (2) (b), 215.58 (2) (c) and 215.70 (5) (title) of the statutes, *relating to* state chartered savings and loan associations, fees for finding loans and granting rule-making authority.

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

SECTION 1. 215.01 (3) of the statutes is amended to read:

215.01 (3) “Branch office” means a place of business, other than the home office, where the business of an association is conducted but does not include a limited office or extended office under s. 215.13 (36) or (47).

SECTION 2. 215.01 (12), (14) and (16) of the statutes are repealed.

SECTION 3. 215.01 (17), (19) and (20) of the statutes are repealed and recreated to read:

215.01 (17) “Member” means a person owning a savings account in a mutual association but does not include a person owning a savings account evidenced by a negotiable certificate of deposit which is not in registered form.

(19) “Net income” means the gross income for a period less the aggregate of expenses, determined according to generally accepted accounting principles or an accounting standard or practice approved by the commissioner.

(20) “Net worth” means:

(a) In a stock association, the aggregate of capital stock, additional paid-in capital, retained earnings and other accounts designated as components of net worth by the commissioner, determined according to generally accepted accounting principles or an accounting standard or practice approved by the commissioner.

(b) In a mutual association, the aggregate of retained earnings and other accounts designated as components of net worth by the commissioner, determined according to generally accepted accounting principles or an accounting standard or practice approved by the commissioner.

SECTION 4. 215.01 (28) of the statutes is amended to read:

215.01 (28) “Withdrawal value of a savings account” means the aggregate of deposits in a savings account and the total earnings credited ~~thereto~~ to that account, less ~~withdrawal payments and depreciation charges~~ withdrawals.

SECTION 5. 215.02 (6) (a) 5 of the statutes is created to read:

215.02 (6) (a) 5. The commissioner may give access to and disclose to an instrumentality insuring the savings accounts of an association, or to the official examiner of the instrumentality, any information possessed by the commissioner about the conditions or affairs of the association.

SECTION 6. 215.02 (7) (b) of the statutes is repealed.

SECTION 7. 215.02 (10) (title) of the statutes is amended to read:

215.02 (10) (title) REMOVAL OF OFFICERS, DIRECTORS OR EMPLOYEES.

SECTION 8. 215.02 (10) (a) 1 and 2 of the statutes are repealed and recreated to read:

215.02 (10) (a) 1. The commissioner may remove an officer, director or employe of an association if either of the following applies:

a. The policies or practices of the officer, director or employe are prejudicial to the best interest of the association or its savers, endanger or will endanger the safety or solvency of the association, or impair the interests of the savers.

b. The officer, director or employe violates or permits the violation of this chapter, a rule promulgated under this chapter or an order of the commissioner.

2. The commissioner may issue an order removing an officer, director or employe under subd. 1 only after the officer, director or employe is afforded a hearing before the review board and the review board approves the order.

SECTION 9. 215.02 (10) (a) 3 of the statutes is repealed.

SECTION 10. 215.02 (10) (a) 4 of the statutes is renumbered 215.02 (10) (a) 3 and amended to read:

215.02 (10) (a) 3. An order of removal ~~shall take~~ takes effect as of on the date issued. A copy of ~~such the~~ the order shall be served upon the association and upon ~~such the~~ the officer ~~or~~ or director ~~or employe~~ or employe in the manner provided by law for service of a summons in a court of record or by mailing ~~such a~~ a copy to the association ~~or and officer or~~ and officer or director ~~or employe~~ or employe at ~~the their~~ their last-known post-office ~~address~~ addresses. Any removal under this subsection ~~shall be effective in all respects~~ has the same effect as if made by the board of directors or the members or stockholders of the association. ~~Any An officer or~~ An officer or director ~~or employe~~ or employe removed from office ~~or employment~~ or employment under this subsection may not be ~~re-elected~~ elected as an officer or director of ~~any~~ any, ~~or be employed by, an~~ or be employed by, an association without the approval of the commissioner and the review board. An order of removal under this subsection ~~shall be deemed is~~ is a final order or determination of the review board ~~within the meaning of under s. 215.04 (4) (6).~~

SECTION 11. 215.02 (11) (title) and (a) of the statutes are amended to read:

215.02 (11) (title) ANNUAL REPORT. (a) ~~In the commissioner's annual report under s. 215.04 (1) (d), the~~ The commissioner shall ~~include a statement~~ publish annually a report concerning the general conduct and condition of associations doing business in this state, ~~including such facts and suggestions as deemed expedient.~~ The annual report shall be based upon the individual annual reports of associations filed, and shall also include the information required in ss. 215.32 (7) (a), 215.56 ~~(8)~~ (7) (a) and 215.76 ~~(8)~~ (7) (a).

SECTION 12. 215.03 (3) of the statutes is repealed.

SECTION 13. 215.04 (1) (g) of the statutes is repealed.

SECTION 14. 215.13 (5) and (28) of the statutes are amended to read:

215.13 (5) (title) CLOSE SAVINGS ACCOUNTS. ~~Redeem~~ Close savings accounts, in part or in full, in accordance with s. 215.18.

(28) BORROWING MONEY. Borrow money and issue its obligations ~~therefor, the~~ for the borrowed money, including but not limited to obligations, bonds, notes or other debt securities. The aggregate of which shall amount borrowed under this subsection may not exceed 20 per cent 50% of its the association's total assets, except with the prior written

approval of the commissioner ~~an association may borrow an amount not exceeding 50 per cent of its total assets. An obligation, bond, note or other debt security may include a written provision subordinating the debt to claims of other creditors or of savers.~~

SECTION 15. 215.13 (31) of the statutes is repealed and recreated to read:

215.13 (31) INSURANCE OF SAVINGS ACCOUNTS. Insure the savings accounts of savers with the federal savings and loan insurance corporation or with another instrumentality approved by the commissioner.

SECTION 16. 215.13 (35) of the statutes is repealed.

SECTION 17. 215.13 (36) of the statutes is repealed and recreated to read:

215.13 (36) LIMITED OFFICE. With the prior written approval of the commissioner, establish a limited office providing lending or other services. A limited office shall be located within the area within which the association may establish a branch office. Deposits to savings accounts may not be accepted at a limited office except as permitted under sub. (46).

SECTION 18. 215.13 (37) of the statutes is amended to read:

215.13 (37) OMNIBUS POWERS. Exercise ~~all powers necessary and proper to carry out any powers reasonably related or incident to the purposes of the association.~~

SECTION 19. 215.13 (40) (intro.) and (b) of the statutes are amended to read:

215.13 (40) LOCATION OF BRANCHES. (intro.) Whenever an association is absorbed under s. 215.53 or 215.73 ~~or consolidated under s. 215.54 or 215.74~~, maintain and operate a branch office at the location of the absorbed ~~or consolidated~~ association, if:

(b) The commissioner finds that the continued operation of a branch office at the location of the absorbed ~~or consolidated~~ association outside the home office normal lending area, as defined in s. 215.21 (2), would be in the public interest. This paragraph does not permit continued operation of an office of an absorbed ~~or consolidated~~ association which received its certificate of incorporation less than 5 years prior to its absorption ~~or consolidation~~.

SECTION 20. 215.14 (1) of the statutes is amended to read:

215.14 (1) AGGREGATE OF SAVINGS ACCOUNTS. The aggregate of savings accounts of ~~any an~~ association is unlimited, and consists of the total deposits in savings accounts and the total earnings credited ~~thereto to the accounts, less withdrawals, redemptions or depreciation charges made pursuant to this chapter.~~

SECTION 21. 215.14 (2) of the statutes is repealed and recreated to read:

215.14 (2) OWNERSHIP OF ACCOUNTS. Any person may become the owner of a savings account in an association if the person is accepted by the association or if the person acquires ownership by a transfer authorized under s. 215.15 (3).

SECTION 22. 215.14 (4) of the statutes is repealed.

SECTION 23. 215.14 (5) of the statutes is renumbered 215.14 (4).

SECTION 24. 215.14 (6) and (7) of the statutes are repealed.

SECTION 25. 215.14 (8) to (12) of the statutes are renumbered 215.14 (5) to (9).

SECTION 26. 215.15 (1) of the statutes is amended to read:

215.15 (1) (title) SAVINGS ACCOUNT FORMS. The association shall issue to each saver ~~such passbooks, certificates of savings account or deposit, or such other evidence a written summary of the terms of savings accounts as the commissioner authorizes. The form of such evidences of ownership shall be acceptable to the commissioner the saver's account or, if permitted by the commissioner, a receipt. The commissioner may promulgate rules prescribing the form of or otherwise regulating issuance and use of evidences of savings accounts, summaries of savings accounts and receipts.~~

SECTION 27. 215.15 (3) of the statutes is repealed and recreated to read:

215.15 (3) GENERAL. (a) The board of directors may, subject to the rules of the commissioner and par. (b), provide for the following:

1. The transfer of savings accounts by any procedure permitted by law or limit or prohibit transfer of savings accounts.

2. The replacement of lost or destroyed evidences of savings accounts.

(b) Unless the commissioner approves, a mutual association may not issue negotiable certificates of deposit which are not in registered form in an aggregate amount exceeding 20% of the total amount in savings accounts.

(c) The commissioner may promulgate rules governing the transfer of savings accounts or the replacement of lost or destroyed evidences of savings accounts.

SECTION 28. 215.16 of the statutes is repealed and recreated to read:

215.16 Savings account earnings. Subject to the rules of the commissioner, the board of directors of an association may:

(1) Declare or contractually fix one or more rates of earnings on savings accounts.

(2) Prescribe the methods for computing, and the time and manner of crediting or paying, earnings on savings accounts.

SECTION 29. 215.17 (1) of the statutes is amended to read:

215.17 (1) **WHEN PERMITTED.** The association may pay, on request, withdrawals on its savings accounts ~~at any time upon receipt of written withdrawal requests therefor, and may pay to the owners of such savings accounts the withdrawal value thereof, except in the case of savings accounts which specify a fixed renewal, maturity or withdrawal date, the~~. The association may require the advance notice therein required of withdrawal.

SECTION 30. 215.17 (2) of the statutes is repealed.

SECTION 31. 215.17 (3) (title) and (a) of the statutes are repealed.

SECTION 32. 215.17 (3) (b) of the statutes is renumbered 215.17 (2) and amended to read:

215.17 (2) (title) **WITHDRAWAL REQUESTS OF SAVERS.** In a mutual association a saver who has filed made a written withdrawal request ~~remains a member of the association until paid, and~~ does not become a creditor of the association by reason of ~~filing such a~~ the withdrawal request.

SECTION 33. 215.17 (4) to (7) of the statutes are repealed.

SECTION 34. 215.18 of the statutes is repealed and recreated to read:

215.18 Closing of savings account. (1) Except as provided in sub. (3), an association may close a savings account by delivering notice of the closing to the saver or mailing notice to the last-known address of the saver.

(2) On the date the notice required under sub. (1) is delivered or mailed, all rights of the saver in the savings account terminate except the right to receive the withdrawal value of the account calculated as of the date of delivery or mailing of the notice. A saver remains a member until the withdrawal value of the savings account is paid.

(3) An association may agree in writing not to close a savings account. The commissioner may promulgate rules restricting the authority of an association to close savings accounts.

SECTION 35. 215.19 (4) of the statutes is repealed.

SECTION 36. 215.21 (9) of the statutes is repealed.

SECTION 37. 215.21 (18) of the statutes is amended to read:

215.21 (18) BASIS OF APPRAISALS. All appraisals of real estate securing mortgage loans, ~~whether made by the association's appraisal committee or independent appraisers approved by the commissioner,~~ shall be based on the reasonable market value thereof of the real estate.

SECTION 38. 215.24 of the statutes is repealed and recreated to read:

215.24 Minimum net worth. An association shall maintain net worth at an amount not less than the minimum amount established by the commissioner. If an association fails to maintain the minimum net worth required under this section, the commissioner may take appropriate action, including but not limited to ordering the association to take corrective action or to restrict payment of dividends.

SECTION 39. 215.25 (title) of the statutes is amended to read:

215.25 Audit requirements.

SECTION 40. 215.25 (1) (title) of the statutes is repealed.

SECTION 41. 215.25 (1) of the statutes is renumbered 215.25.

SECTION 42. 215.25 (2) of the statutes is repealed.

SECTION 43. 215.26 (8) (a) and (b) 3 of the statutes are amended to read:

215.26 (8) (a) Every person ~~shall have the right to~~ may inspect those books and records of an association which pertain to the person's loan or savings account. An association and officers and employes of an association may provide books, records or other information as required by court order or by a subpoena in a court or administrative proceeding.

(b) 3. Any federal agency or other instrumentality approved by the commissioner which is authorized to inspect and examine books and records of an insured association.

SECTION 44. 215.26 (9) of the statutes is created to read:

215.26 (9) CLOSING BOOKS. Each association shall close its books at least once annually and at such other times as the commissioner requires. The date of the annual fiscal closing may be March 31, June 30, September 30 or December 31, unless rules of the commissioner otherwise direct.

SECTION 45. 215.32 (1) of the statutes is renumbered 215.32 (1m), and 215.32 (1m) (intro.), as renumbered, is amended to read:

215.32 (1m) CONDITIONS FOR TAKING POSSESSION. (intro.) The commissioner ~~may, with the approval of the review board and after giving 10 days' notice to the board,~~ take possession of the business and property of any association to which this chapter ~~is~~ applicable whenever he applies if the commissioner finds that such the association:

SECTION 46. 215.32 (1) of the statutes is created to read:

215.32 (1) DEFINITION. In this section, "circuit court" means the circuit court of Dane county, notwithstanding s. 801.50.

SECTION 47. 215.32 (2), (3), (4) and (6) (a) to (e) of the statutes are amended to read:

215.32 (2) (title) PROCEDURE AFTER TAKING POSSESSION. ~~Upon~~ After taking possession of the business and property of ~~any~~ an association, the commissioner shall ~~forthwith~~ immediately:

(a) Serve written notice ~~upon the president and secretary on an officer~~ of the association, ~~setting forth therein that he stating that the commissioner has taken possession and control of the business and property of said the association. (Said notice shall be executed in duplicate, and immediately after it has been served, one~~ A copy of the notice and proof of service thereof shall be filed with the clerk of the circuit court of the county where said association is located, with proof of service.)

(b) ~~Give~~ Mail notice to ~~all persons~~ the last-known address of any person known to the commissioner to be in possession of any assets of ~~such~~ the association.

(3) EMPLOYMENT OF COUNSEL; RETENTION OF OFFICERS AND EMPLOYEES OF ASSOCIATION. The commissioner may employ necessary counsel and experts in ~~such a~~ liquidation; under this section and may retain ~~such officers and employes~~ any officer or employe of ~~such~~ the association as ~~he~~ deems necessary.

(4) APPOINTMENT OF SPECIAL DEPUTY COMMISSIONERS. The commissioner may appoint special deputy commissioners as agents to assist in the liquidation and distribution of the assets of associations whose business and property the commissioner has taken possession of. A certificate of ~~such~~ the appointment shall be filed in the office of the commissioner and a certified copy in the office of the clerk of the circuit court ~~for the county in which such association is located~~.

(6) (a) *Notice, allowance and payment of claims.* The special deputy commissioner shall publish a class 3 notice, under ch. 985, ~~calling on~~ requiring all persons who have claims against the association, ~~to present the same to him and make proof thereof at a place and time, therein specified. He shall mail a similar~~ other than savers whose claims are shown in the records of the association, to file proof of their claims at a place and by a date not earlier than 30 days after the last insertion of the notice. The special deputy commissioner shall mail a copy of the notice to all persons, at their last-known addresses, who appear as creditors upon the books of the association. Proof of publication and service of such the notice shall be filed with the clerk of said circuit court. The special deputy commissioner may reject any claim A claim, other than that of a saver whose claim is shown on the records of the association, for which no proof of claim is filed by the date fixed in the notice is barred. Savers whose claims are shown in the records of the association need not file proof of their claims. Any interested party may file written objections to any claim with the special deputy commissioner. The special deputy commissioner may reject any claim, including a claim of a saver. After notice by registered mail of such rejection, the claim shall be is barred unless he the claimant commences an action thereon within 3 months. Claims presented after the expiration of the time fixed in the notice to creditors shall be entitled to share in the distribution only to the extent of the assets then in the hands of the special deputy commissioner equitably applicable thereto 90 days after the date of mailing of the notice of rejection.

(b) *Inventory of assets and statement of liabilities.* ~~Upon taking possession, the~~ The special deputy commissioner ~~appointed under this section shall make an inventory of the assets of the association, in duplicate, one to~~ One copy of the inventory shall be filed in the office of the commissioner and one in the office of the clerk of such circuit court. Upon the expiration of After the time fixed for the presentation of filing proof of claims has expired, the special deputy commissioner shall make ~~in duplicate~~ a complete list of the claims presented, specifying for which proof of claims were filed and specify the claims rejected by him, one to he or she has rejected. One copy shall be filed in the office of the commissioner and one in the office of the clerk of such circuit court. The inventory of assets and a list of claims shall be open to inspection.

(c) *Execution of legal documents; borrowing of money.* ~~Such~~ A special deputy commissioner appointed under this section may, with the prior approval of the commissioner and the circuit court, execute, acknowledge and deliver all deeds, assignments, releases or other instruments necessary and proper to effect any sale or transfer or incumbrance of the property of an association subject to this section and may borrow money for use in the liquidation after the same has been approved by the commissioner and an order obtained from the circuit court of the county in which said association is located as hereinafter provided.

(d) (title) *Conservation of assets; collection of claims; sale of assets and performance of any other acts upon order of the court.* ~~Upon taking possession, the A~~ special deputy commissioner appointed under this section may do such necessary acts take any action necessary to conserve ~~its~~ the assets and business, of an association subject to this section and shall proceed to liquidate its affairs. ~~He~~ The special deputy commissioner shall collect all claims belonging to ~~it~~ the association, and ~~upon a petition approved by the commissioner and upon order of,~~ with the prior approval of the commissioner and the circuit court, may sell or compound all bad or doubtful claims, ~~or do any act or execute any necessary instruments and upon like petition and order may,~~ or sell the property of ~~such~~ the association ~~on such terms as the court approves.~~ The special deputy commissioner may, if necessary, enforce individual liability of the members to pay the debts of the association.

(e) (title) *Depositing of moneys in one or more financial institutions.* The moneys collected by the special deputy commissioner under this section shall be deposited in ~~state banks~~ financial institutions, and in case of the suspension or insolvency of the depository, ~~such~~ the deposits shall be preferred before all other deposits.

SECTION 48. 215.32 (6) (em) of the statutes is created to read:

215.32 (6) (em) *Claims against association.* Claims against an association subject to this section shall be satisfied according to the following priority:

1. All costs, expenses and debts of the association incurred on or after the date on which the commissioner takes possession of the association.
2. All claims which are secured by, or which are liens on, assets of the association, to the extent of the value of the assets.
3. All portions of secured claims which remain unsatisfied and unsecured claims on equal priority and proportionate basis, except subordinated debt shall be paid according to the terms of the contract evidencing it.

SECTION 49. 215.32 (6) (f) to (h), (7) (a) 2 and 3 (intro.) and (d), (8) and (10) of the statutes are amended to read:

215.32 (6) (f) *Liquidating dividends.* ~~At any time after~~ After the date fixed for the ~~presentation of filing proof of~~ claims under s. 215.32 (6) (a), the special deputy commissioner may, ~~upon petition approved by with the prior approval of the commissioner and an order of the circuit court, out of the funds remaining, after the payment of costs, expenses and, debts and claims under par. (em), declare liquidating dividends, and may declare a final liquidating dividend, such dividend to be paid to the.~~ The liquidating dividends shall be paid to those persons, and in those amounts as directed by the circuit court.

(g) *Notice prior to order for final distribution.* Prior to the order for final distribution under par. (f), the special deputy commissioner shall publish, ~~as a class 3 notice, under ch. 985, and give such further notice as the circuit court may direct, calling on directs,~~ requiring all persons who have claims against the association arising during the liquidation proceedings, to present same to him and make proof thereof file proof of their claims at a place and time specified by a date not earlier than 30 days after the last insertion of the notice. Proof of ~~such~~ publication of the notice shall be filed with the clerk of the circuit court. ~~The special deputy commissioner may accept or reject any claim A claim for which no proof of claim is filed by the date fixed in the notice is barred.~~ Any interested party may file written objection to any claim with the special deputy commissioner, ~~and such claim shall be determined by the court after such notice to all interested parties as the court prescribes.~~ In the event of the rejection of any claim without objection thereto having been filed, such claim shall be barred unless suit thereon is brought within 3 months after notice of such rejection, by registered mail, has been given to the claimant by the special deputy commissioner. The special deputy commissioner may

reject any claim. After notice by registered mail of rejection, the claim is barred unless the claimant commences an action within 90 days after the date of mailing of the rejection.

(h) *Transfer of residual assets to commissioner.* After the order for final distribution has been made under par. (f), the special deputy commissioner shall, with the approval of the commissioner and the circuit court, ~~having jurisdiction thereof~~, assign all assets, claims and demands that have been written off and considered worthless, and all unknown assets, to the commissioner, ~~who~~. The commissioner may accept and hold such the assets, claims and demands, with the power to compound, compromise, settle and assign the same them and execute and deliver any legal instrument incidental thereto without court approval. Any moneys received therefrom shall be paid into the general fund of the state after the commissioner has deducted the cost of his or her services, attorney fees and other incidental expenses incidental thereto.

(7) (a) 2. The commissioner shall deposit moneys delivered under subd. 1 in ~~state banks or state chartered savings and loan associations~~ a financial institution, to the credit of the commissioner in trust for the persons entitled ~~thereto~~ to the moneys.

3. (intro.) The commissioner shall include in the annual report ~~to the governor~~:

(d) ~~At the time of the order for final distribution, the~~ The commissioner may make application to the circuit court ~~having jurisdiction~~ for an order determining what books and or records of an association subject to this section are to be kept or destroyed, ~~stating in such application his recommendations thereon. The court shall by order determine what books and records are to be kept or destroyed and fix an appropriate time in either event.~~ All books and or records ordered kept shall be kept in a manner and place ordered, subject to the further order of the circuit court. The expense of keeping books or records shall be paid before final distribution. All books and or records ordered destroyed shall be delivered to the commissioner to be so destroyed or to be kept for such further time as the commissioner directs.

(8) TITLE PASSES TO COMMISSIONER. ~~Upon filing the notice under sub. (2), the~~ The possession of and title to all property of the association shall be deemed to be is transferred from the association to the commissioner; and filing of on the date the notice mentioned herein shall of itself vest the title to such property in the commissioner. Such filing shall bar required by sub. (2) is filed. The filing of the notice bars any attachment, garnishment, execution or other legal proceedings against the association or its property.

(10) ACTION TO ENJOIN PROCEEDINGS. ~~Whenever any association whose property the commissioner has taken possession of deems itself aggrieved thereby, it may, within 10 days after such taking~~ An association subject to this section may, within 10 days after the notice required under sub. (2) is filed, apply to the circuit court of Dane county to enjoin further proceedings; and said. The circuit court, after citing the commissioner to show cause why further proceedings should not be enjoined and hearing all allegations and proofs of the parties and determining the facts the matter, may enjoin the commissioner from further proceedings, and direct him the commissioner to surrender such the association's business and property to such the association.

SECTION 50. 215.32 (12) of the statutes is repealed.

SECTION 51. 215.33 (6) of the statutes is amended to read:

215.33 (6) RECIPROCITY. If the laws of another jurisdiction prohibit an ~~insured~~ association chartered by this state and insured by the federal savings and loan insurance corporation from doing business in that jurisdiction, no association organized under the laws of that jurisdiction may be authorized to do business in this state. If the laws of another jurisdiction require the posting of securities or impose other additional requirements as a condition of permitting an association chartered by this state to do business in that jurisdiction, the commissioner may impose similar requirements on an association organized

under the laws of that jurisdiction before issuing the association a certificate of authority to do business in this state.

SECTION 52. 215.35 of the statutes is created to read:

215.35 Conversion; or absorption; waiver. The commissioner may waive any portion of s. 215.53, 215.57, 215.58, 215.73 or 215.77 if the commissioner makes written findings of both of the following:

(a) The net worth of an association is equal to less than one percent of the assets of the association or is reasonably expected to be less than one percent within one year.

(b) The waiver is in the best interest of savers of the association and the public.

SECTION 53. 215.40 (6) (a), (c) and (e) and (13) (a) 9 of the statutes are amended to read:

215.40 (6) (a) Along with the application, the incorporators shall file an agreement with the commissioner that, in addition to their initial savings account subscriptions, they will create an expense fund in an amount not less than one-half of the total minimum required amount of savings accounts. ~~The purpose of the expense fund shall be to take care of is for~~ organization expenses, operating deficits, ~~mandatory reserve requirements,~~ earnings distributions on savings accounts and losses.

(c) ~~Whenever~~ If the income of ~~any a~~ period is insufficient to pay expenses, ~~provide the necessary additions to reserves or pay a competitive rate of earnings, appropriate charges shall be made to this liability~~ the expense fund account.

(e) At the end of the fourth 4th year, and each subsequent year ~~thereafter~~, the board of directors of the association may petition the commissioner for authority to pay out of current income of any period to the incorporators on a proportional basis, the amount remaining after payment of expenses, provision for taxes, ~~required transfers to reserves,~~ and the provision for distribution of earnings as a recovery of previous charges made to the subsidy expense fund account by incorporators. The commissioner ~~shall have discretionary authority to~~ may approve or deny such the petition for recovery payments. In no event shall refunds of this type exceed the total of the charges made to the subsidy expense fund account by incorporators.

(13) (a) 9. That necessary action has been taken to obtain membership in the federal home loan bank, and insurance of savings accounts from the federal savings and loan insurance corporation or other instrumentality approved by the commissioner.

SECTION 54. 215.41 (1) of the statutes is repealed and recreated to read:

215.41 (1) FORM. The articles of incorporation of a mutual association shall be approved by the commissioner. The commissioner shall, with the approval of the review board, promulgate rules governing articles of incorporation.

SECTION 55. 215.42 (1) of the statutes is repealed and recreated to read:

215.42 (1) FORM. The bylaws of a mutual association shall be approved by the commissioner. The commissioner shall, with the approval of the review board, promulgate rules governing bylaws.

SECTION 56. 215.43 (1) of the statutes is amended to read:

215.43 (1) WHO MAY BECOME A MEMBER. Any person, firm including but not limited to a partnership, corporation, fiduciary, association or federal agency, may become a member of any mutual association by applying in writing for membership therein and by either the owning of a savings account in or by borrowing money from such the association unless the savings account is evidenced by a negotiable certificate of deposit which is not in registered form. As of the effective date of this subsection (1983), no person is a member of a state chartered mutual savings and loan association solely because the per-

son has borrowed money from the association regardless of when the borrowing occurred.

SECTION 57. 215.43 (2) of the statutes is repealed.

SECTION 58. 215.43 (3) to (5) and (6) (a) of the statutes are renumbered 215.43 (2) to (5), and 215.43 (4) (a) and (5), as renumbered, are amended to read:

215.43 (4) (a) Each saver in a mutual association shall have one vote for each \$100 or additional fraction thereof of \$100 of the withdrawal value of each of the saver's savings accounts as they appear on the books of the association at the end of the 10th day a day determined by the board which shall be not more than 60 days preceding the date first day of the a meeting at which the a vote is taken. ~~Each member as a borrower or obligor, shall have the number of votes to which entitled as an owner of a savings account.~~

(5) (title) TERMINATION OF MEMBERSHIP. Any member who has filed made a written request for the withdrawal of his the member's savings account under s. 215.17 shall remain remains a member and be subject to and shall have has all rights, privileges, and duties as such of a member, until the withdrawal value of such the savings accounts has been account is paid to him.

SECTION 59. 215.43 (6) (title) and (b) and (7) of the statutes are repealed.

SECTION 60. 215.50 (11) of the statutes is renumbered 215.50 (11) (a) and amended to read:

215.50 (11) (a) ~~The board of directors may remove from office any officer or a director, after an opportunity afforded him for being heard,~~ who violates this chapter, the rules of the commissioner, the articles of incorporation, the bylaws, orders of the commissioner or any other law applicable to savings and loan operations. The board may remove a director only after affording the director a hearing.

SECTION 61. 215.50 (11) (b) of the statutes is created to read:

215.50 (11) (b) The board may remove any officer of the association who is elected or appointed by the board whenever in its judgment removal is in the best interest of the association.

SECTION 62. 215.50 (12) of the statutes is repealed.

SECTION 63. 215.51 (5) of the statutes is repealed.

SECTION 64. 215.53 (title) of the statutes is amended to read:

215.53 (title) Absorption of or by other association.

SECTION 65. 215.53 (1) of the statutes is repealed and recreated to read:

215.53 (1) CONDITIONS PRECEDENT. A mutual association organized under this chapter may absorb a federal savings and loan association or a state chartered association, or be absorbed by a state chartered mutual association, with the consent of the commissioner and subject to any condition the commissioner prescribes, by an affirmative vote of at least two-thirds of the board of each association. The absorbed association shall transfer its assets and liabilities to the absorbing association but not to defeat or defraud creditors.

SECTION 66. 215.53 (2) of the statutes is renumbered 215.53 (2) (a) and amended to read:

215.53 (2) (a) EFFECT OF ABSORPTION. All the rights, franchises and property interests of the absorbed association shall be deemed to be transferred to the absorbing association, which shall hold and enjoy same and all rights of property, franchises and interest in the same manner and to the same extent as was held and enjoyed by the absorbed association; ~~and the members of such.~~ The savers of the absorbed association shall be members of the absorbing association, except as provided in s. 215.01 (17), and possess

and be subject to all rights, privileges and duties as provided in the bylaws of the absorbing association.

SECTION 67. 215.53 (2) (b) of the statutes is created to read:

215.53 (2) (b) Stockholders of an association absorbed under this section may be compensated by converting the shares of the absorbed association into, in whole or in part: obligations or other securities of the absorbing association or shares, obligations or other securities of any other association or corporation; or cash or other thing of value.

SECTION 68. 215.54 of the statutes is repealed.

SECTION 69. 215.55 of the statutes is repealed.

SECTION 70. 215.56 (7) of the statutes is repealed.

SECTION 71. 215.56 (8) and (9) of the statutes are renumbered 215.56 (7) and (8), and 215.56 (7) (a), as renumbered, is amended to read:

215.56 (7) (a) Unclaimed liquidating dividends and all funds remaining unpaid in the hands of the association or its board of directors at or immediately prior to the date of final distribution, together with all final liquidating costs, shall be delivered by them to the commissioner to be deposited by him or her in one or more state banks or state-chartered savings and loan associations, to the credit of the commissioner in his or her name, in trust for the various members and creditors entitled thereto. The commissioner shall include in his or her annual report ~~to the governor~~ the names of the associations so liquidated and the sums of unclaimed and unpaid liquidating dividends and unclaimed funds with respect to each of them respectively, including a statement of interest or dividends earned upon such funds.

SECTION 72. 215.58 (1) (intro.) (exc. 215.58 (1) (title)) of the statutes is repealed.

SECTION 73. 215.58 (1) (a) of the statutes is repealed and recreated to read:

215.58 (1) (a) A state chartered mutual association may convert to a stock association under this section. The board shall adopt a plan of conversion which complies with this section and the rules of the commissioner. The plan of conversion is subject to the approval of the commissioner.

SECTION 74. 215.58 (1) (b) of the statutes is amended to read:

215.58 (1) (b) ~~Upon the commissioner's approval of the proposed plan of conversion, the board shall call a meeting of members to vote on the proposed conversion to a capital stock association.~~ Conversion of a mutual association under this section is effective only if done according to a plan of conversion approved by the commissioner under par. (a) and if the plan is approved by an affirmative vote of the majority of all votes entitled to be cast by members. Notice of ~~such a meeting to vote on the plan of conversion~~ shall be sent to each member at least 10 days prior to such meeting. The notice shall state the time, place and purpose of the meeting ~~and shall set forth, and provide a summary of the plan of conversion approved by the commissioner~~ and such other information as the commissioner requires.

SECTION 75. 215.58 (1) (c) of the statutes is repealed.

SECTION 76. 215.58 (1) (d) of the statutes is renumbered 215.58 (1) (c), and 215.58 (1) (c) 1, as renumbered, is amended to read:

215.58 (1) (c) 1. A copy of the minutes of the meeting adopting the plan. The minutes shall be certified by the secretary or president, and shall show that, by an affirmative vote as required under par. ~~(e)~~ (b), the members voted to convert the association to a capital stock association ~~and adopted the restated articles of incorporation.~~

SECTION 77. 215.58 (2) and (3) of the statutes are repealed.

SECTION 78. 215.58 (2) (c) of the statutes is created to read:

215.58 (2) (c) The plan complies with any other standard which the commissioner may promulgate by rule as in the public interest.

SECTION 79. 215.58 (4) to (7) of the statutes are renumbered 215.58 (3) to (6), and 215.58 (3), (4), (5) (b) and (6) (h) and (i), as renumbered, are amended to read:

215.58 (3) CERTIFICATE OF CONVERSION; EFFECTIVE DATE. ~~Upon receiving satisfactory evidence that the plan of conversion and any conditions of the certificate of authority have been complied with, the~~ The commissioner shall may issue the to a mutual association a certificate of conversion from a mutual association to a capital stock association, ~~whereupon the association shall record the certificate of conversion and its restated articles of incorporation~~ if the commissioner determines the plan of conversion has been implemented as approved and the association has complied with this section and any conditions to the approval. The date ~~of recording shall be the~~ specified in the certificate is the effective date of conversion. The certificate shall be recorded with the register of deeds in the county where the home office of the association is located.

(4) RETENTION OF DIRECTORS. ~~The~~ Unless the plan of conversion provides otherwise, the directors of the converted mutual association shall continue to serve as directors of the capital stock association for the duration of the term to which they were elected, ~~provided they meet the qualification requirements under s. 215.70 (2).~~

(5) (b) ~~Upon such conversion, the~~ The stock association resulting from a conversion under this section shall continue to have and succeed to all the rights, obligations and relations of the mutual association. No pending action or judicial proceeding to which the mutual association is a party shall ~~not~~ be abated or discontinued by reason of the conversion. Such an action or proceeding may be prosecuted to final judgment, order or decree in the same manner as if the conversion had not been made, and the stock association resulting from the conversion may continue the action in its corporate name as a mutual association. Any judgment, order or decree may be rendered for or against the stock association which might have been rendered for or against the mutual association ~~theretofore~~ previously involved in the proceedings. Each owner of a savings account in the mutual association continues ownership of the account in the stock association under the same terms applicable to the account prior to conversion.

(6) (h) The disposition, if any, of ~~general reserves and undivided profits~~ retained earnings.

(i) The distribution, issuance, sale and subscription of capital stock and ~~paid-in surplus~~ additional paid-in capital.

SECTION 80. 215.58 (8) of the statutes is renumbered 215.58 (2) and amended to read:

215.58 (2) (title) COMMISSIONER'S APPROVAL OF PLAN OF CONVERSION; STANDARDS. The commissioner may ~~refuse to approve the a plan of conversion or may decline to issue a certificate of conversion or to approve the restated articles of incorporation,~~ under this section if the commissioner has reason to believe finds that the plan meets both of the following conditions:

(a) The plan of conversion is ~~not~~ fair and equitable to all savers in the converting association; ~~or,~~

(b) The plan ~~does not sufficiently protect~~ protects the interest of depositors and owners of savings accounts of the prospective capital stock association.

SECTION 81. 215.60 (2) (b) of the statutes is amended to read:

215.60 (2) (b) The minimum amount of capital stock and additional paid-in ~~surplus~~ capital.

SECTION 82. 215.60 (2) (c) and (d) of the statutes are repealed.

SECTION 83. 215.60 (2) (e) of the statutes is renumbered 215.60 (2) (c).

SECTION 84. 215.60 (3) of the statutes is repealed and recreated to read:

215.60 (3) **WHO MAY ORGANIZE.** Any individual who is a resident of this state may apply to the commissioner for authority to incorporate a stock association under this section. The individual applying is the incorporator.

SECTION 85. 215.60 (4) (d) and (11) (a) 4, 5 and 9 of the statutes are amended to read:

215.60 (4) (d) The amount of initial capital stock and additional paid-in ~~surplus~~ capital.

(11) (a) 4. That the minimum number of required stockholders subscribing for capital stock was obtained, and that ~~such~~ the stockholders, in the aggregate, paid to the association the required minimum amount of capital stock and additional paid-in ~~surplus~~ capital;

5. That the funds, representing the initial sale of capital stock and additional paid-in ~~surplus~~ capital, have been deposited in the association's designated depository bank;

9. That insurance of savings accounts has been obtained from the federal savings and loan insurance corporation or other instrumentality approved by the commissioner; and

SECTION 86. 215.60 (11) (a) 6 and 7 of the statutes are repealed.

SECTION 87. 215.60 (11) (a) 8 to 10 of the statutes are renumbered 215.60 (11) (a) 6 to 8.

SECTION 88. 215.61 (1) of the statutes is repealed and recreated to read:

215.61 (1) **FORM.** The articles of incorporation of a stock association shall be approved by the commissioner. The commissioner shall, with the approval of the review board, promulgate rules governing articles of incorporation.

SECTION 89. 215.61 (3) and (4) of the statutes are amended to read:

215.61 (3) **RECORDING.** ~~Upon their approval by the commissioner, articles~~ Articles of incorporation and amendments ~~thereto to the articles~~ shall be recorded in the office of the register of deeds of the county in which the home office of the association is located.

(4) **AMENDMENT PROCEDURE.** Amendments to the articles of incorporation may be made at any annual or special meeting of the stockholders duly called for that purpose, ~~provided that a.~~ A statement of the nature of the proposed amendment is shall be included in the notice of the meeting. ~~The proposed amendment shall be adopted upon receiving~~ The vote required for adoption of an amendment shall be prescribed in the articles but shall not be less than the affirmative vote of a majority of the eligible votes thereon, pursuant to s. 215.63.

SECTION 90. 215.62 (1) of the statutes is repealed and recreated to read:

215.62 (1) **FORM.** The bylaws of a stock association shall be approved by the commissioner. The commissioner shall, with the approval of the review board, promulgate rules governing bylaws.

SECTION 91. 215.63 of the statutes is repealed.

SECTION 92. 215.65 of the statutes is repealed.

SECTION 93. 215.66 of the statutes is repealed.

SECTION 94. 215.67 of the statutes is repealed and recreated to read:

215.67 Dividends. The board of a stock association may declare and pay dividends, subject to the orders and rules of the commissioner.

SECTION 95. 215.70 (2) (title) and (a) of the statutes are repealed.

SECTION 95g. 215.70 (2) (b) of the statutes is renumbered 215.70 (5).

SECTION 95m. 215.70 (3) to (6) of the statutes are repealed.

SECTION 95r. 215.70 (5) (title) of the statutes is created to read:

215.70 (5) (title) QUALIFICATION OF DIRECTORS.

SECTION 96. 215.70 (7) (title) of the statutes is renumbered 215.70 (2) (title).

SECTION 97. 215.70 (7) (a) of the statutes is renumbered 215.70 (2) and amended to read:

215.70 (2) The compensation of officers, directors, employees and committee members, including but not limited to pension or deferred compensation agreements, shall be fixed by a majority vote of the board of directors in accordance with the bylaws. ~~Subject to the specific prior approval of the commissioner and the review board, the board of directors may by resolution, create a fund or join a pension system or enter into deferred compensation agreements for the retirement of its officers and employees.~~

SECTION 98. 215.70 (8) of the statutes is repealed.

SECTION 99. 215.70 (9) and (10) of the statutes are renumbered 215.70 (3) and (4).

SECTION 100. 215.70 (11) and (12) of the statutes are repealed.

SECTION 101. 215.71 (5) of the statutes is repealed.

SECTION 102. 215.73 (title) of the statutes is amended to read:

215.73 (title) Absorption of or by other association.

SECTION 103. 215.73 (1) of the statutes is repealed and recreated to read:

215.73 (1) CONDITIONS PRECEDENT. A stock association organized under this chapter may absorb a federal stock savings and loan association or a state chartered stock association, or be absorbed by a state chartered stock association, with the consent of the commissioner and subject to any condition the commissioner prescribes, by an affirmative vote of at least two-thirds of the board of each association. The absorbed association shall transfer its assets and liabilities to the absorbing association but not to defeat or defraud creditors.

SECTION 104. 215.73 (2) (b) of the statutes is repealed and recreated to read:

215.73 (2) (b) Stockholders of an association absorbed under this section may be compensated by converting the shares of the absorbed association into, in whole or in part: shares, obligations or other securities of the absorbing association or of any other association or corporation; or cash or other thing of value.

SECTION 105. 215.74 of the statutes is repealed.

SECTION 106. 215.75 of the statutes is repealed.

SECTION 107. 215.76 (7) of the statutes is repealed.

SECTION 108. 215.76 (8) and (9) of the statutes are renumbered 215.76 (7) and (8), and 215.76 (7) (a), as renumbered, is amended to read:

215.76 (7) (a) Unclaimed liquidating dividends and all funds remaining unpaid in the hands of the association or its board at or immediately prior to the date of final distribution, together with all final liquidating costs, shall be delivered to the commissioner to be deposited in one or more state banks or state-chartered savings and loan associations, to the credit of the commissioner, in trust for the various stockholders, owners of savings accounts or creditors entitled thereto. The commissioner shall include in the annual report ~~to the governor~~ the names of the associations so liquidated and the sums of unclaimed and unpaid liquidating dividends and unclaimed funds with respect to each of them respectively, including a statement of interest or dividends earned upon such funds.

SECTION 109. 943.62 (2) of the statutes is amended to read:

943.62 (2) ~~No~~ Except as provided in sub. (2m), no person may receive a payment from a customer as an advance fee, salary, deposit or money for the purpose of obtaining a loan or a lease of personal property for the customer unless the payment is immediately placed in escrow subject to the condition that the escrow agent shall deliver the payment to the person only upon satisfactory proof of the closing of the loan or execution of the lease within a period of time agreed upon in writing between the person and the customer; otherwise the payment shall be returned to the customer immediately upon expiration of the time period.

SECTION 110. 943.62 (2m) of the statutes is repealed and recreated to read:

943.62 (2m) This section does not apply to a savings and loan association, credit union, bank or a mortgage banker licensed under ch. 452.

SECTION 111. **Program responsibility changes.** In the sections of the statutes listed in Column A, the program responsibilities references shown in Column B are deleted and the program responsibilities references shown in Column C are inserted:

A	B	C
Statute Sections	References Deleted	References Inserted
15.821 (1)	215.16 (7)(a), 215.19 (4), 215.24 (4), 215.32 (1), 215.55 (1) and (2), 215.75 (1) and (2)	none

SECTION 112. **Cross-reference changes.** In the sections of the statutes listed in Column A, the cross-references shown in Column B are changed to the cross-references shown in Column C:

A	B	C
Statute Sections	Old Cross-References	New Cross-References
215.13 (46)(a) 1	sub. (39), (40) or (47)	sub. (36), (39), (40) or (47)
215.26 (8)(c)	par. (d)	pars. (a) and (d)
215.41 (4)	215.43 (5)	215.43 (4)
