

No. 291, S.]

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CHAPTER 132

AN ACT to amend 186.015 (2), 186.04 (2), 186.05, 186.06, 186.08 and 186.10; to repeal and recreate 186.09 and 186.11; and to create 186.112 and 186.29 (13) (c) of the statutes, relating to the organization and management of credit unions.

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

SECTION 1. 186.015 (2) of the statutes is amended to read:

186.015 (2) Members of the board shall be appointed by the governor with the advice and consent of the senate. All members of the board shall have at least 5 years' experience in the operation of a credit union. * * * *The appointments made in 1953 to fill the terms expiring in June 1953 shall be for 2 and 3 years respectively, and the appointments made in 1954 to fill the terms expiring in June 1954 shall be for 3, 4 and 5 years respectively.* Thereafter members of the * * * board shall each be appointed for a term of 5 years and until his successor shall be appointed and qualified. Vacancies shall be filled in the manner of original appointment by the governor.

SECTION 2. 186.04 (2) of the statutes is amended to read:

186.04 (2) On or before July 15 of each year, each credit union shall pay to the state banking department an annual fee to be determined as provided in sub. (1), which shall represent as nearly as practicable its fair share of the maintenance of the credit union division of the state banking department. * * *

SECTION 3. 186.05 of the statutes is amended to read:

186.05 The by-laws shall prescribe:

* * * (1) The conditions of residence or occupation which qualify persons for membership;

* * * (2) The par value of the shares of capital stock *which shall in no event be more than \$5;*

* * * (3) The conditions on which shares may be paid in, transferred and withdrawn, the entrance fee to be paid by new members;

* * * (4) The method of receipting for money paid on account of shares;

* * * (5) The number of directors and number of members of the credit committee;

* * * (6) The duties of the several officers;

* * * (7) The * * * *time* of the annual meeting of members * * *, *which shall be held within 90 days after the end of the calendar year;*

* * * (8) The manner in which members and directors shall be notified of meetings;

* * * (9) The number of members which shall constitute a quorum at meetings, and

* * * (10) Such other regulations as may seem necessary.

SECTION 4. 186.06 of the statutes is amended to read:

186.06 The fiscal year of every such corporation shall end at the close of business on December 31. The incorporators may pass upon and accept applications for mem-

bership until the first meeting of the members is held, and shall call such first meeting as soon as 10 persons have been admitted to membership. Special meetings may be held by order of the directors, and the secretary shall call special meetings upon request in writing by 33-1/3 per cent of the members. No person shall be entitled to vote who has not been a member for more than 3 months, but this restriction shall not apply during the first 12 months of the existence of the corporation, nor shall any member vote by proxy, or have more than one vote. *Shares may be issued in joint tenancy with any persons designated by the credit union member. The person first named in any such joint account shall be a member of the credit union. Any nonmember named in such joint account shall not acquire the right to vote, obtain loans or hold office because of his inclusion in such joint account.* At any meeting, the members may decide upon any question of interest to the corporation; and upon appeal of 2 members, may reverse decisions of the credit committee or board of directors; and, by a three-fourths vote of those present, provided the notice of the meeting shall have specified the questions to be considered, may amend the by-laws or remove any officer or member of the credit committee or board of directors and fill the vacancy caused by such removal.

SECTION 5. 186.08 of the statutes is amended to read:

186.08 At their first meeting the board of directors shall elect from their number a president, a vice president, a secretary and a treasurer, who shall be the executive officers of the corporation. The board of directors shall have the general management of the affairs, funds and records of the corporation, and shall meet as often as may be necessary. It shall be their special duty:

- * * * (1) To act upon all applications for membership;
- * * * (2) To act upon the expulsion of members;
- * * * (3) To fix the amount of surety bond which shall be required of each officer having custody of funds;
- * * * (4) To fill vacancies in the board of directors or executive offices or in the credit committee * * * *in such manner as the by-laws prescribe;*
- * * * (5) To make recommendations to meetings of the members relative to matters which, in their opinion, the members should decide.

SECTION 6. 186.09 of the statutes is repealed and recreated to read:

186.09 LOANS. The capital and funds of the corporation shall be lent to the members for such purpose and upon such security and terms as the credit committee shall approve. The credit committee shall have authority to approve every loan or advance made by the credit union, except where application for loan is made by a member of the credit committee. In such instances the application shall be submitted for the approval of the board of directors. 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. No loan shall be made unless the credit committee is satisfied that it promises to benefit the borrower, nor unless it has received the majority approval of the members of said committee, but the applicant for a loan may appeal from the decision of the credit committee to the board of directors. All loans to an individual member exceeding \$500 and all such loans which in the aggregate exceed 5 per cent of the total assets of the credit union, except where such loan is \$100 or less, shall be secured by such collateral as the credit committee shall approve; however, this does not preclude the credit committee from requiring collateral on smaller loans. An interest charge at a rate of one per cent per month on the unpaid balance shall not be held to be usurious. A borrower may repay the whole or any part of his loan at any time. Loans to members secured by first mortgages on real estate may be made subject to the rules and regulations prescribed by the commissioner of banks.

SECTION 7. 186.10 of the statutes is amended to read:

186.10 Shares may be issued in the name of a minor, and may, in the discretion of the directors, be withdrawn by such minor or by his parent or guardian, and in either case payments made on such withdrawals shall be valid. *No minor under 16 years shall be entitled to vote in the meetings of members either personally or by his parent or guardian.* If shares are held in trust the name and residence of the beneficiary shall be disclosed and the account shall be kept in the name of such holder as trustee for such person. If no other notice of the existence and terms of such trust has been given in writing to the corporation, such shares may, upon the death of the trustee, be withdrawn by the person for whom the amount of such shares was paid in or by his legal representative.

SECTION 8. 186.11 of the statutes is repealed and recreated to read:

186.11 INVESTMENTS. Subject to the approval of the board of directors, any funds not required for the purpose of loans may be deposited to the credit of the corporation in banks or trust companies incorporated under the laws of this state, or in national banks located therein, or may be invested in the shares of a central credit union, subject

to the provisions of the by-laws of such central credit union, or invested in U. S. government securities, or municipal bonds issued by municipalities of this state, and may, with the approval of the commissioner of banks, be invested in securities other than those hereinbefore specified.

SECTION 9. 186.112 of the statutes is created to read:

186.112 CREDIT UNION BORROWING. (1) If the cash available be insufficient to make the loans approved by the credit committee or if the requests for withdrawal exceed available cash it shall be lawful for the board of directors to borrow money, from any source, not to exceed 25 per cent of the total assets but not for a longer period than 6 months, except that such period may be extended when approved by the commissioner of banks.

(2) Credit unions with the approval of the commissioner of banks may also loan surplus funds to other credit unions subject to the restrictions contained in this section.

SECTION 10. 186.29 (13) (c) and (d) of the statutes is created to read:

186.29 (13) (c) After one year from the time of the order for final distribution, all unclaimed funds shall be turned over to the state treasury by said commissioner and shall be kept in a separate fund. All claims subsequently arising shall be presented to the commissioner. If the commissioner determines that any claim so presented is a proper claim against said fund he shall certify to the director of budget and accounts the name and address of the person entitled to payment and the amount thereof and shall attach said claim to said certificate. The director of budget and accounts shall thereupon draw his warrant on the state treasurer for payment of the amount stated in said certificate to the person named thereon.

(d) Any claims referred to in sub. (13) (a) and (b) not presented within 6 years from the time of an order of final distribution made in the liquidation of any credit union shall be deemed to have been abandoned and shall be barred, and the amount of fund against which any claim or claims shall have become barred shall forthwith become the property of the state. The state treasurer shall in the 30-day period preceding the end of each fiscal year, ascertain from the commissioner of banks, the amount of said fund against which claims have become barred during the fiscal year and shall transfer said amount to the general fund.

Approved May 7, 1953.
