



State of Wisconsin
Department of Financial Institutions

Scott McCallum, Governor

John F. Kundert, Secretary

February 12, 2002

Representative Scott R. Jensen
Room 211 West
State Capitol
P.O. Box 8952
Madison 53708-8952

Senator Fred Risser
Room 220 South
State Capitol
P.O. Box 7882
Madison 53707-7882

Re: Notice of Proposed Rules

Dear Representative Jensen and Senator Risser:

Pursuant to ss. 227.19(2) and (3), Stats., notice is hereby given that CR 02-022 (proposed rule creating s. DFI—SB 16.03 (8)) and CR 02-006 (proposed rule creating s. DFI—SL 16.06) are in final draft form. The following documentation accompanies this notice in triplicate:

- report to the legislature
- proposed rule with analysis, note regarding form, and fiscal estimate
- recommendations of legislative council staff

If you have any questions regarding this matter or the enclosed, please do not hesitate to contact me at tel. 267-1705.

Sincerely,

Mark Schlei
Deputy General Counsel

encls

Office of the Secretary

Mail: PO Box 8861 Madison WI 53708-8861

Voice: (608) 264-7800

Fax: (608) 261-4DFI

Courier: 345 W. Washington Ave. 5th Floor Madison, WI 53703

TTY: (608) 266-8818

Internet: www.wdfi.org

CORRESPONDENCE / MEMORANDUM

STATE OF WISCONSIN
Department of Financial Institutions
Office of the Secretary

DATE: February 12, 2002

TO: Senator Fred Risser, President
Wisconsin State Senate

Representative Scott Jensen, Speaker
Wisconsin State Assembly

FROM: Mark Schlei, Deputy General Counsel
Department of Financial Institutions

SUBJECT: Report on CR 02-022 and CR 02-006

This report is submitted pursuant to s. 227.19 (2) and (3), Stats., regarding CR—022 (proposed rule creating s. DFI—SB 16.03 (8)) and CR 02-006 (proposed rule creating s. DFI—SL 16.06), relating to acquiring and holding stock in bank-owned banks.

1. STATEMENT EXPLAINING THE NEED FOR THE PROPOSED RULE

CR 02-022 would allow state-chartered savings banks, with the prior approval of the division of savings institutions, to acquire and hold stock in any of the following: a bank chartered under s. 221.1202, Stats.; a national bank chartered under 12 USC 27(b)(1); a bank holding company wholly owning a bank chartered under s. 221.1202; or a bank holding company wholly owning a bank chartered under 12 USC 27(b)(1). Section 221.1201 permits state-chartered banks to acquire stock in bank-owned banks. The rule would be the implementing provision under state law authorizing state-chartered savings banks to acquire and hold stock in bank-owned banks. The rule would ensure that state-chartered savings banks will not be at a competitive disadvantage with other financial institutions that have received similar authority under state or federal laws.

CR 02-006 rule would allow state-chartered savings and loan associations, with the prior approval of the division of savings institutions, to acquire and hold stock in any of the following: a bank chartered under s. 221.1202, Stats.; a national bank chartered under 12 USC 27(b)(1); a bank holding company wholly owning a bank chartered under s. 221.1202; or a bank holding company wholly owning a bank chartered under 12 USC 27(b)(1). Section 221.1201 permits state-chartered banks to acquire and hold stock in bank-owned banks. The rule would be the implementing provision under state law authorizing state-chartered savings and loan associations to acquire stock in bank-owned banks. The rule would ensure that state-chartered savings and loan associations will not be at a competitive disadvantage with other financial institutions that have received similar authority under state or federal laws.

2. MODIFICATIONS MADE AS A RESULT OF TESTIMONY RECEIVED AT THE PUBLIC HEARING

No modifications were made as a result of testimony received at the public hearing.

3. PERSONS APPEARING OR REGISTERING FOR OR AGAINST THE PROPOSED RULE AT THE PUBLIC HEARING

No persons appeared or registered for or against the proposed rule.

4. RESPONSE TO LEGISLATIVE COUNCIL RECOMMENDATIONS

Legislative council staff recommendations were accepted in whole.

5. FINAL REGULATORY FLEXIBILITY ANALYSIS

Pursuant to s. 227.19(3m), a final regulatory flexibility analysis is not required.

PROPOSED RULE
STATE OF WISCONSIN
DEPARTMENT OF FINANCIAL INSTITUTIONS
DIVISION OF SAVINGS INSTITUTIONS

An order to create s. DFI—SB 16.03(8), relating to acquiring and holding stock in bank-owned banks. Analysis: Statutory authority: ss. 214.03, 214.49(15) and 227.11(2), Stats. Statutes interpreted: ss. 214.03 and 214.49(15), Stats. Summary: The rule would allow state-chartered savings banks, with the prior approval of the division of savings institutions, to acquire and hold stock in any of the following: a bank chartered under s. 221.1202, Stats.; a national bank chartered under 12 USC 27(b)(1); a bank holding company wholly owning a bank chartered under s. 221.1202; or a bank holding company wholly owning a bank chartered under 12 USC 27(b)(1). Section 221.1201 permits state-chartered banks to acquire stock in bank-owned banks. The rule would be the implementing provision under state law authorizing state-chartered savings banks to acquire and hold stock in bank-owned banks. The rule would ensure that state-chartered savings banks will not be at a competitive disadvantage with other financial institutions that have received similar authority under state or federal laws.

SECTION 1. DFI—SB 16.03(8) is created to read:

DFI—SB 16.03(8) STOCK IN BANK-OWNED BANKS. A savings bank may, with the prior written approval of the division, acquire and hold stock, in an aggregate amount not exceeding 10% of its capital, in one or more of the following:

- (a) A bank chartered under s. 221.1202, Stats.
- (b) A bank chartered under 27 USC 27(b)(1).
- (c) A bank holding company wholly owning a bank under sub. (1) or (2).

This rule shall take effect on the first day of the month following publication in the Wisconsin administrative register as provided in s. 227.22(2)(intro.), Stats.

NOTE

Pursuant to s. 227.14 (3), Stats., an agency shall include a reference to forms in a note to the proposed rule and shall attach a description of how copies of the forms may be obtained. Pursuant to s. 227.14 (3), copies of forms may be obtained at the following:

Department of Financial Institutions
Division of Savings Institutions
345 W. Washington, 4th Floor
P.O. Box 8306
Madison, WI 53708-8306
tel. (608) 261-2304



WISCONSIN LEGISLATIVE COUNCIL RULES CLEARINGHOUSE

Ronald Sklansky
Clearinghouse Director

Richard Sweet
Clearinghouse Assistant Director

Terry C. Anderson
Legislative Council Director

Laura D. Rose
Legislative Council Deputy Director

CLEARINGHOUSE REPORT TO AGENCY

[THIS REPORT HAS BEEN PREPARED PURSUANT TO S. 227.15, STATS. THIS IS A REPORT ON A RULE AS ORIGINALLY PROPOSED BY THE AGENCY; THE REPORT MAY NOT REFLECT THE FINAL CONTENT OF THE RULE IN FINAL DRAFT FORM AS IT WILL BE SUBMITTED TO THE LEGISLATURE. THIS REPORT CONSTITUTES A REVIEW OF, BUT NOT APPROVAL OR DISAPPROVAL OF, THE SUBSTANTIVE CONTENT AND TECHNICAL ACCURACY OF THE RULE.]

CLEARINGHOUSE RULE 02-022

AN ORDER to create DFI-SB 16.03 (8), relating to stock in bank-owned banks.

Submitted by **DEPARTMENT OF FINANCIAL INSTITUTIONS**

01-15-02 RECEIVED BY LEGISLATIVE COUNCIL.

02-08-02 REPORT SENT TO AGENCY.

RNS:NZ:ksm;tlu

LEGISLATIVE COUNCIL RULES CLEARINGHOUSE REPORT

This rule has been reviewed by the Rules Clearinghouse. Based on that review, comments are reported as noted below:

1. STATUTORY AUTHORITY [s. 227.15 (2) (a)]

Comment Attached YES NO

2. FORM, STYLE AND PLACEMENT IN ADMINISTRATIVE CODE [s. 227.15 (2) (c)]

Comment Attached YES NO

3. CONFLICT WITH OR DUPLICATION OF EXISTING RULES [s. 227.15 (2) (d)]

Comment Attached YES NO

4. ADEQUACY OF REFERENCES TO RELATED STATUTES, RULES AND FORMS
[s. 227.15 (2) (e)]

Comment Attached YES NO

5. CLARITY, GRAMMAR, PUNCTUATION AND USE OF PLAIN LANGUAGE [s. 227.15 (2) (f)]

Comment Attached YES NO

6. POTENTIAL CONFLICTS WITH, AND COMPARABILITY TO, RELATED FEDERAL
REGULATIONS [s. 227.15 (2) (g)]

Comment Attached YES NO

7. COMPLIANCE WITH PERMIT ACTION DEADLINE REQUIREMENTS [s. 227.15 (2) (h)]

Comment Attached YES NO



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CLEARINGHOUSE RULE 02-022

Comments

[NOTE: All citations to "Manual" in the comments below are to the Administrative Rules Procedures Manual, prepared by the Revisor of Statutes Bureau and the Legislative Council Staff, dated September 1998.]

2. Form, Style and Placement in Administrative Code

- a. The rule should contain a relating clause. [See s. 1.02 (1), Manual.]
- b. The analysis indicates the statutory authority under which the rule is promulgated; it should also indicate the statutes interpreted by the rule. [See s. 1.02 (2) (a), Manual.]
- c. In s. DFI-SB 16.03 (8) (a), ". . . under s. 221.1202." should be ". . . under s. 221.1202, Stats." [See s. 1.07 (2), Manual.]
- d. The rule should contain an effective date clause. [See s. 1.02 (4), Manual.]



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[s. 227.15 (2) (e)]

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CLEARINGHOUSE RULE 02-022

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