

## 2003 SENATE BILL 381

**AN ACT** *to renumber and amend* 214.725 (1); *to amend* 214.725 (4), 214.725 (6), 214.772 (5), 215.03 (2) (a), 215.03 (2) (b) and 215.33 (4); and *to create* 214.725 (1) (b) of the statutes; **relating to:** regulatory examinations of savings banks and savings and loan associations.

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*Analysis by the Legislative Reference Bureau*

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

1           **SECTION 1.** 214.725 (1) of the statutes is renumbered 214.725 (1) (a) and  
2 amended to read:

3           214.725 **(1)** (a) ~~At~~ Except as provided in par. (b), at least once every 18 months  
4 and more often if necessary, the division shall examine the books, records, operations  
5 and affairs of a savings bank. In the course of the examination, the division may also  
6 examine in the same manner any entity, company or individual that the division

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1 determines may have a relationship with the savings bank or a savings bank holding  
2 company, savings bank subsidiary, service corporation or affiliate of the savings  
3 bank, if the relationship may adversely affect the affairs, activities and safety and  
4 soundness of the savings bank.

5 **SECTION 2.** 214.725 (1) (b) of the statutes is created to read:

6 214.725 (1) (b) In lieu of any examination required under par. (a), the division  
7 may accept any examination that may have been made of any savings bank within  
8 a reasonable period by the federal deposit insurance corporation, any federal agency  
9 with primary responsibility for supervising savings banks chartered under the laws  
10 of the United States, or any agency of another state with primary responsibility for  
11 supervising savings banks chartered under the laws of that state.

12 **SECTION 3.** 214.725 (4) of the statutes is amended to read:

13 214.725 (4) If a savings bank, its savings bank holding company or any of its  
14 savings bank subsidiaries or service corporations has not been audited at least once  
15 in the 12 months before the ~~division's~~ examination date under sub. (1) (a).  
16 notwithstanding sub. (1) (b). the division shall order an audit of the entity's books and  
17 records to be made by an independent certified public accountant, selected by the  
18 division, who has experience in financial institution audits. The cost of the audit  
19 shall be paid for by the entity being audited.

20 **SECTION 4.** 214.725 (6) of the statutes is amended to read:

21 214.725 (6) An examination report under s. 214.735 or a report based upon an  
22 examination accepted under sub. (1) (b). may contain directives to correct violations  
23 or to perform acts to ensure the safety and soundness of the savings bank or the entity  
24 examined.

25 **SECTION 5.** 214.772 (5) of the statutes is amended to read:

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1           214.772 (5) A foreign savings bank doing business in this state shall be  
2 examined by the division as provided under s. 214.725, audited under s. 214.76 and  
3 assessed fees as provided under s. 214.715 (1) (h), together with any out-of-state  
4 travel expenses incurred in the course of an examination or audit. The division may  
5 accept an examination to the extent permitted under s. 214.725 (1) (b) and may  
6 accept all or part of an ~~examination or~~ audit prepared on behalf of the regulatory  
7 authority responsible for the supervision of the foreign savings bank in the  
8 jurisdiction in which the foreign savings bank is organized.

9           **SECTION 6.** 215.03 (2) (a) of the statutes is amended to read:

10           215.03 (2) (a) At Except as provided in par. (b), at least once within every  
11 18-month period, the division shall examine the cash, bills, collaterals, securities,  
12 assets, books of account, condition and affairs of all such associations and for that  
13 purpose the division or the division's examiners shall have access to, and may compel  
14 the production of, all their books, papers, securities and moneys, administer oaths  
15 to and examine their officers and agents as to their affairs. An employee of the  
16 division may not examine an association in which the employee is interested as an  
17 officer or director.

18           **SECTION 7.** 215.03 (2) (b) of the statutes is amended to read:

19           215.03 (2) (b) The In lieu of any examination required under par. (a), the  
20 division may accept ~~an examination-audit made~~ any examination that may have  
21 been made of any association within a reasonable period by the deposit insurance  
22 corporation, a federal regulatory agency ~~or any other governmental agency~~  
23 ~~authorized to make examination-audits of associations pursuant to their rules and~~  
24 ~~regulations. The examination-audit must comply with the procedure established by~~

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1 ~~the division, or any agency of another state with primary responsibility for~~  
2 ~~supervising associations chartered under the laws of that state.~~

3 **SECTION 8.** 215.33 (4) of the statutes is amended to read:

4 215.33 (4) EXAMINATION AND AUDIT OF FOREIGN ASSOCIATIONS. Each foreign  
5 association doing business in this state shall be examined by the division as provided  
6 under s. 215.03, audited under s. 215.25 and assessed fees and costs as provided  
7 under s. 215.02 (16), together with any out-of-state travel expenses incurred in the  
8 course of the examination and audit. However, the division may accept an  
9 examination to the extent permitted under s. 215.03 (2) (b) and may accept as all or  
10 part of the examination or audit, all or any part of an examination or audit made on  
11 behalf of the agency responsible for the supervision of the foreign association in the  
12 jurisdiction in which the association is organized.

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(END)