

2003 Senate Bill 381

Date of enactment: **April 15, 2004**
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2003 WISCONSIN ACT 263

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.

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

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

214.725 (1) (a) ~~At~~ Except as provided in par. (b), at least once every 18 months and more often if necessary, the division shall examine the books, records, operations and affairs of a savings bank. In the course of the examination, the division may also examine in the same manner any entity, company or individual that the division determines may have a relationship with the savings bank or a savings bank holding company, savings bank subsidiary, service corporation or affiliate of the savings bank, if the relationship may adversely affect the affairs, activities and safety and soundness of the savings bank.

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

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

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

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

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

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

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

214.772 (5) A foreign savings bank doing business in this state shall be examined by the division as provided under s. 214.725, audited under s. 214.76 and assessed fees as provided under s. 214.715 (1) (h), together with any out-of-state travel expenses incurred in the course of an examination or audit. The division may accept an

* Section 991.11, WISCONSIN STATUTES 2001-02 : Effective date of acts. "Every act and every portion of an act enacted by the legislature over the governor's partial veto which does not expressly prescribe the time when it takes effect shall take effect on the day after its date of publication as designated" by the secretary of state [the date of publication may not be more than 10 working days after the date of enactment].

examination to the extent permitted under s. 214.725 (1) (b) and may accept all or part of an ~~examination or~~ audit prepared on behalf of the regulatory authority responsible for the supervision of the foreign savings bank in the jurisdiction in which the foreign savings bank is organized.

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

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

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

215.03 (2) (b) ~~The~~ In lieu of any examination required under par. (a), the division may accept ~~an examination or~~ any examination that may have

been made of any association within a reasonable period by the deposit insurance corporation, a federal regulatory agency ~~or any other governmental agency authorized to make examination audits of associations pursuant to their rules and regulations.~~ The examination audit must comply with the procedure established by the division, or any agency of another state with primary responsibility for supervising associations chartered under the laws of that state.

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

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