



State of Wisconsin
Department of Financial Institutions

Jim Doyle, **Governor**

Lorrie Keating Heinemann, **Secretary**

March 22, 2010

Senate Chief Clerk
Office of the Senate Chief Clerk
B20 Southeast, State Capitol
Madison, Wisconsin 53707-7882

Assembly Chief Clerk
Office of the Assembly Chief Clerk
17 West Main Street
Room 401
Madison, WI 53703

Via hand-delivery

Re: Notice of Proposed Rule

Dear Chief Clerks:

Pursuant to ss. 227.19(2) and (3), Stats., notice is hereby given that CR 010-009 (proposed rule creating ch. DFI—CU 65 relating to credit union service organizations) is in final draft form.

1. STATEMENT EXPLAINING THE BASIS AND PURPOSE OF THE PROPOSED RULE, INCLUDING HOW THE PROPOSED RULE ADVANCES RELEVANT STATUTORY GOALS OR PURPOSES.

The objective of the rule is to create ch. DFI—CU 65. The purpose of the rule is to set forth certain procedures and requirements for credit union service organizations including definitions, corporate separateness, legal opinions, notice, increase in investment, expansion of services, conflicts of interest, report and audit procedures, and supervision. These rules have been approved by the Credit Union Review Board, pursuant to s. 186.235(8), Stats.

2. SUMMARY OF PUBLIC COMMENTS TO THE PROPOSED RULE AND THE AGENCY'S RESPONSE TO THOSE COMMENTS, AND AN EXPLANATION OF ANY MODIFICATION MADE IN THE PROPOSED RULE AS A RESULT OF PUBLIC COMMENTS OR TESTIMONY RECEIVED AT THE PUBLIC HEARING

No testimony was received at the rule hearing. Objections to the rule were raised by the Wisconsin Credit Union League in correspondence. Subsequently the Office of Credit Unions met with league officials, and modifications acceptable to the office and league were made, including in the areas of corporate separateness, required legal opinion, conflicts of interest, and reporting and audit procedures. The league now supports the rule and its adoption.

Office of the Secretary

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3. LIST OF PERSONS WHO APPEARED OR REGISTERED FOR OR AGAINST THE PROPOSED RULE AT THE PUBLIC HEARING

Tom Liebe, Vice President, Wisconsin Credit Union League, registered to speak against the rule. Subsequently, after meeting with the Office of Credit Unions, the league now supports the rule and its adoption.

4. ANY CHANGES TO THE ANALYSIS PREPARED UNDER S. 227.14(2), STATS., OR THE FISCAL ESTIMATE PREPARED UNDER S. 227.14(4), STATS.

No changes were made to the analysis or fiscal estimate.

5. RESPONSE TO LEGISLATIVE COUNCIL RECOMMENDATIONS

The recommendations of the council were largely accepted.

6. FINAL REGULATORY FLEXIBILITY ANALYSIS

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

The following documentation accompanies this notice in triplicate: proposed rule with analysis, fiscal estimate and recommendations of legislative council staff.

If you have any questions regarding this matter, please do not hesitate to contact me at tel. (608) 267-1705.

Sincerely,

Mark Schlei
Deputy General Counsel

*c: Legislative Council (via hand-delivery [1 East Main St., Suite 401], w/encls & e-mail [clearinghouse@legis.state.wi.us], w/attachments)
Wisconsin Administrative Rules (via e-mail [adminrules@wisconsin.gov], w/ attachments)*