



State of Wisconsin
Department of Financial Institutions

Tommy G. Thompson, Governor

Richard L. Dean, Secretary

STATE OF WISCONSIN)
) SS
DIVISION OF SAVINGS INSTITUTIONS)

CERTIFICATE

I, Thomas M. Boykoff, Administrator of the Division of Savings Institutions and custodian of the official records of the Division, do hereby certify that the annexed rule, relating to increasing the maximum commercial loan aggregate which is authorized for an outside director of a savings bank, was duly approved by me on August 20, 1996.

This rule shall become effective on the first day of the month following its publication in the Wisconsin Administrative Register, pursuant to s. 227.22(2) (intro.), Stats.

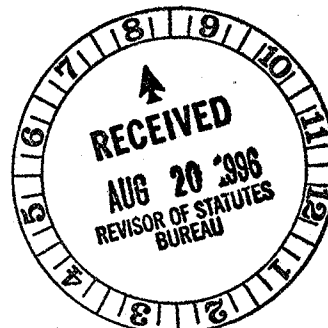
I further certify that this copy of the rule has been compared by me with the original on file in this agency and that it is a true copy of the whole original.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the official seal of the Department of Financial Institutions this 20th day of August, 1996.

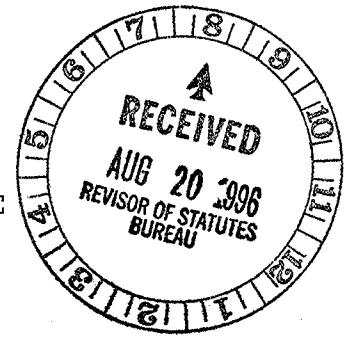


Thomas M. Boykoff

Thomas M. Boykoff, Administrator



ORDER OF THE
DIVISION OF FINANCIAL INSTITUTIONS IN THE
DEPARTMENT OF FINANCIAL INSTITUTIONS
AMENDING A RULE



The Division of Savings Institutions in the Department of Financial Institutions adopts an order to amend s. SB 3.06(1)(e), relating to increasing the maximum commercial loan aggregate which is authorized for an outside director of a savings bank.

Analysis Prepared By The
Division of Savings Institutions in the
Department of Financial Institutions

Statutory authority: s. 214.715(1)(d), Stats
Statute interpreted: ss. 214.335 and 214.345, Stats.

Under current rule, a savings bank may extend credit for commercial purposes to an affiliated person (ex., a director, officer or controlling person; see s. 214.01(2), Stats.) up to an aggregate of \$100,000.

This rule increases the maximum aggregate loan for commercial purposes to an "outside director", i.e., a director who is not a savings bank employe, to the greater of \$100,000 or 10% of the savings bank's net worth but not greater than \$2,500,000.

Other conditions applicable to extending credit to all affiliated persons continue to apply. For example, the credit shall not involve more than the normal risk of collectibility or present other unfavorable features; and it shall be at terms, amount and interest rate substantially the same as those prevailing at the same time for comparable loans made to members of the general public.

Fiscal estimate. This rule will have no fiscal impact on the Division of Savings Institutions in the Department of Financial Institutions. The required reviews of loans to outside directors will be done during routine examinations of savings banks with existing personnel and resources.

Small business flexibility statement. This rule will provide all savings banks' outside directors -- including savings banks covered by the definition of "small business" under s. 227.114(1)(a), Stats. -- with the maximum commercial loan authorization. Exempting small businesses from this rule would be contrary to the rule's objectives which are to encourage high calibre people to serve as outside directors of savings banks.

Pursuant to the authority invested in the Division of Savings Institutions in the Department of Financial Institutions by s. 214.715(1)(d), Stats., the division hereby amends s. SB 3.06(1)(e) relating to increasing the maximum commercial loan aggregate which is authorized for an outside director of a savings bank.

Dated: August 20, 1996

Attachment



Thomas M. Boykoff, Administrator

RULE
INCREASING THE MAXIMUM COMMERCIAL LOAN
AUTHORIZED FOR AN OUTSIDE DIRECTOR

SECTION 1. SB 3.06(1)(e) is amended to read:

SB 3.06(1)(e) A savings bank may extend credit for commercial purposes to an affiliated person which may not exceed an aggregate of \$100,000 except that the maximum for a director who is not employed by the savings bank may be the greater of \$100,000 or 10% of the savings bank's net worth but not greater than \$2,500,000. This extension of credit shall not involve more than the normal risk of collectibility or present other unfavorable features, and shall be at terms, amount, and interest rate substantially the same as those prevailing at the same time for comparable loans made to members of the general public of similar credit status. A savings bank shall comply with par. (d) with respect to any extensions of commercial credit exceeding an aggregate amount of \$10,000. A savings bank shall, at the time of approval by the board of directors, notify the commissioner of the transaction and all other outstanding extensions of commercial credit to the affiliated person.

SECTION 2. EFFECTIVE DATE. Under s. 227.22(2), Stats., this rule takes effect on the first day of the month following its publication in the Wisconsin Administrative Register.

DFI/DSI 8/20/96

LRB or Bill No./Adm. Rule No.
S-L 3.06(1)(e)
Amendment No. if Applicable

FISCAL ESTIMATE

- ORIGINAL
- CORRECTED
- UPDATED
- SUPPLEMENTAL

DOA-2048 (R10/92)

Subject
Increasing the maximum commercial loan aggregate which is authorized for an outside director.

Fiscal Effect

State: No State Fiscal Effect

Check columns below only if bill makes a direct appropriation or affects a sum sufficient appropriation.

- Increase Existing Appropriation
- Decrease Existing Appropriation
- Create New Appropriation
- Increase Existing Revenues
- Decrease Existing Revenues
- Increase Costs - May be possible to Absorb Within Agency's Budget Yes No
- Decrease Costs

Local: No local government costs

1. <input type="checkbox"/> Increase Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	3. <input type="checkbox"/> Increase Revenues <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	5. Types of Local Governmental Units Affected: <input type="checkbox"/> Towns <input type="checkbox"/> Villages <input type="checkbox"/> Cities
2. <input type="checkbox"/> Decrease Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	4. <input type="checkbox"/> Decrease Revenues <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Counties <input type="checkbox"/> Others _____ <input type="checkbox"/> School Districts <input type="checkbox"/> VTAE Districts

Fund Sources Affected
 GPR FED PRO PRS SEG SEG-S


Affected Ch. 20 Appropriations

Assumptions Used in Arriving at Fiscal Estimate

There will be no fiscal impact to the Office of Commissioner of Savings and Loan.

Long-Range Fiscal Implications

None

Agency/Prepared by: (Name & Phone No.) 242-2180 Harold N. Lee, Jr., Commissioner	Authorized Signature/Telephone No. 242-2180  Harold N. Lee, Jr., Commissioner	Date 3/28/96
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State of Wisconsin
Department of Financial Institutions

Tommy G. Thompson, Governor

Richard L. Dean, Secretary

August 20, 1996

Bruce Munson
Revisor of Statutes
131 W Wilson St 9th Floor
Madison WI 53702

Douglas J LaFollette
Secretary of State
30 W Mifflin St 9th Floor
Madison WI 53702

Gentlemen:

Pursuant to s. 227.20(1), Stats., enclosed is a certified copy of an administrative rule adopted by the Division of Savings Institutions in the Department of Financial Institutions and a "Certificate" and "Order" relating to it. This rule is Clearinghouse Rule 96-064, relating to increasing the maximum commercial loan aggregate which is authorized for an outside director of a savings bank.

If you have any questions, please feel free to telephone me.

Sincerely,

Thomas M. Boykoff
Administrator

TMB/k

Enclosures

cc: Mike Rogowski, Exec. Assistant to Secretary Richard Dean

