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STATE OF WISCONSIN

DEPARTMENT OF SAVINGS AND LOAN

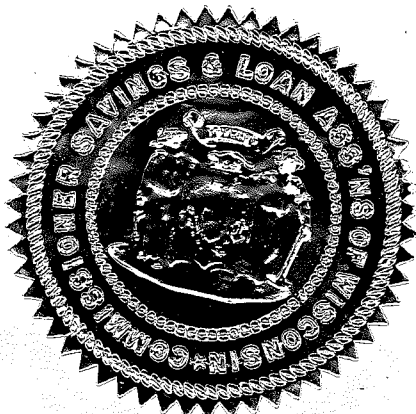
SS

I, R. J. WINKOWSKI, Commissioner of Savings and Loan Associations and custodian of the official records of the Savings and Loan Department, do hereby certify that the annexed SECTION S-L 4.08, "LOANS IN EXCESS OF 80% OF APPRAISED VALUE" and SECTION 10.01, "PURPOSE OF UNSECURED LOANS", DEPARTMENTAL RULES OF THE SAVINGS AND LOAN DEPARTMENT, WISCONSIN ADMINISTRATIVE CODE, were adopted by the Commissioner on April 11, 1962, and approved by the Savings and Loan Advisory Committee on April 11, 1962, after a public hearing held on April 11, 1962.

I further certify that publication of SECTIONS S-L 4.08 and 10.01 will be made in the WISCONSIN REGISTER of May, 1962, and that said rules will become effective on June 1, 1962.

I further certify that said copy has been compared by me with the original on file in this Department and that the same is a true copy thereof, and of the whole of such original.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the official seal of the Department at the State Office Building, in the City of Madison, this 11th day of April, A.D., 1962.



R. J. Winkowski
 R. J. Winkowski
 Commissioner

SAVINGS AND LOAN DEPARTMENT
STATE OF WISCONSIN

ORDER NO. 44

IN THE MATTER of prescribing rules and regulations, pursuant to authority contained in Section 215.52 (3), Wisconsin Statutes, for conducting the business of Savings and Loan Associations operating under Chapter 215, Wisconsin Statutes.

WHEREAS, The Commissioner of Savings and Loan Associations finds it necessary to repeal and recreate Section S-L 4.08 and to create Section S-L 10.01 of the Rules of the Savings and Loan Department, Wisconsin Administrative Code, due to changes and new developments of general business practices,

NOW, THEREFORE, IT IS ORDERED:

That Section S-L 4.08, "LOANS IN EXCESS OF 80% OF APPRAISED VALUE", be repealed and recreated to read as follows:

S-L 4.08 LOANS IN EXCESS OF 80% OF APPRAISED VALUE. (1) WHEN PERMITTED. Any association, whose aggregate of general reserves and undivided profits is equal to or in excess of 3% of total assets, may make loans pursuant to the permissive authority of this section.

(2) TYPE OF ELIGIBLE SECURITY. Any association may exceed the 80% maximum loan ratio to appraised value of real estate security, as imposed by Sec. S-L 4.01 (3), Wis. Adm. Code, when such loans are secured by real estate consisting of either, single family residential units or 2 family residential units, provided that the premises be occupied in whole or in part by the borrower as his dwelling.

(3) PURPOSE OF LOANS. Any loan made under the provisions of this section may be for any purpose including, but not limited to, the following:

(a) Purchase of an existing structure.

(b) Financing construction of a structure for subsequent sale to a bona-fide purchaser.

(c) Financing of construction of structure for an owner-occupant.

(d) Refinancing of existing indebtedness.

(4) MAXIMUM LOAN RATIO. No loan, made pursuant to the provisions of this section shall exceed 90% of the appraised value of the real estate security, provided that:

(a) The maximum loan on a single family residential unit shall in no event exceed \$27,000.

(b) The maximum loan on a 2 family residential unit shall in no event exceed \$33,000.

(c) No additional advances, under the open-end provisions of the mortgage instrument, shall be made while the unpaid balance of the loan exceeds 80% of the appraised value.

(d) Any additional advance, which may be granted after the unpaid balance is less than 80% of the appraised value, shall in no event increase the borrower's total unpaid loan balance to an amount exceeding 80% of the appraised value as determined when the original loan was granted.

(5) MANDATORY ADDITIONAL SECURITY. (a) That portion of any loan in excess of 80% of the appraised value of the real estate security shall be further secured by such additional acceptable collateral, as defined in Par. (b) below, or mortgage insurance, or both, as may be determined by the board of directors of the association. Nothing in this subsection shall be deemed to prevent any association from demanding that borrowers further secure their loans with additional collateral, or mortgage insurance, or both, in such percentages or amounts as determined and approved by the board of directors. The term, mortgage insurance, as used herein, shall be defined as insurance which shall indemnify the association against loss or default of the borrower's contractual payments as specified in the mortgage note.

(b) Additional collateral, acceptable for loans made pursuant to this section, may consist of:

1. The cash surrender value of a policy of insurance on the life of any person who is a party to or responsible for the payment of the mortgage note.

2. United States Government securities, "E" bonds excluded.

3. Bonds, notes or other evidences of indebtedness which are a general obligation of any city, town, village, county or school district of this state.

4. Shares of state-chartered and federally chartered savings and loan associations, doing business in this state, including shares of mortgagee association.

5. Shares of savings and loan associations, located outside of the State of Wisconsin, which are insured by the Federal Savings and Loan Insurance Corporation.

(c) Incumbered real estate, vacant lots, vacant lands and personal guarantors on the mortgage note are not eligible as additional collateral to loans granted pursuant to this section.

(6) OTHER REQUISITES. No loan in excess of 80% of the appraised value of the real estate security shall be made unless the following conditions are met:

(a) That no part of the single family residence or the 2 family residence is to be used for business purposes.

(b) That the parcel of land on which the single family residence or 2 family residence is situated has no other residential, combination-home-and-business, or other-than-home type property located upon it.

(c) No additional financing, other than the association's mortgage, has been agreed upon by the borrower.

(7) AGGREGATE OF LOANS IN EXCESS OF 80% OF APPRAISED VALUE. (a) The aggregate of all loans in excess of 80% of the appraised value of real estate shall not exceed 20% of the association's total assets.

(b) whenever the aggregate of loans, made pursuant to the provisions of this Section, is less than 20% of the association's total assets as a result of loan repayments, the association may then resume granting loans under the provisions of this Section.

(c) Whenever the unpaid balance of any loan, granted under the provisions of this Section, is reduced to 80% of the appraised value of the real estate, then such loan is removed from the 20% aggregate of such loans described in Par. (a) above.

(8) GENERAL. On loans made for the purposes of financing construction, as defined in Par. (3), (b) and (c) above, the following must be observed by the association:

(a) The aggregate of loan proceeds disbursed up to the completion of construction shall not exceed 80% of the appraised value of the real estate.

(b) The amount of such loan in excess of 80% of the appraised value of the real estate shall not be disbursed until:

1. Construction has been fully completed, and
2. The property has been occupied by the borrower as a dwelling.

(9) FORFEITURE PROVISIONS. The Board of Directors of an association may declare a loan, made under the provisions of this Section, due and payable and commence legal proceedings to enforce collection whenever any of the following conditions exist while the unpaid balance of the loan exceeds 80% of the appraised value of the real estate:

(a) Title to the real estate securing that loan has been conveyed to another person, or

(b) The borrower ceases to be an occupant of the property.


IT IS ALSO ORDERED that Section S-L 10.01, "PURPOSE OF UNSECURED LOANS", be created to read as follows:

S-L 10.01 PURPOSE OF UNSECURED LOANS. All unsecured loans for the purpose of repair, modernization or alteration of an existing structure, pursuant to authority of Sec. 215.21 (1) (d), Wis. Stats., are made to enable the owner to fully enjoy the use of his home. Loans made pursuant to Sec. 215.21 (1) (d) may include the following:

- (1) Construction of garage (not attached to dwelling) and driveway.
- (2) Construction of "fall-out" shelters approved by the director of civil defense.
- (3) Payment of special assessments and improvements by local municipalities for road, curb, public walks, sewer and water facilities including laterals.

IT IS FURTHER ORDERED, That this Order No. 44, adopted pursuant to the provisions of Chapter 227 and Sec. 215.52 (3) of the 1959 Wisconsin Statutes, shall be in effect on the first day of the subsequent month following publication thereof by the Revisor of Statutes.

Dated this 11th day of April, 1962.



R. J. Winkowski
Commissioner

This order was approved by the Savings and Loan Advisory Committee on April 11, 1962, after a public hearing on that date.