

Chapter S-L 18

MORTGAGE LOANS

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S-L 18.01 Classifications of real estate security. The following descriptions, as used in this section, shall further classify the types of eligible real estate security generally defined in section 215.21 (7), Wis. Stats.:

(1) "DWELLING UNIT" means a single unified combination of rooms designed for residential use by one family.

(2) "SINGLE FAMILY DWELLING" means: (a) Real estate upon which is located a structure designed for residential use by one family, or

(b) An individually owned unit designed for residential use by one family in a multiple-unit structure, the owner of which unit owns an undivided interest in the underlying real estate and the common elements of such structure. The term, "Common Elements," includes supporting walls, hallways, stairways, elevators and such other facilities as are necessary to the use and enjoyment of an individual unit.

(3) "HOME-TYPE PROPERTY" means real estate upon which there is located one or more single-family dwellings or a structure containing dwelling units for not more than 4 families in the aggregate.

(4) "COMBINATION-HOME-AND-BUSINESS-TYPE PROPERTY" means real estate upon which is located a structure used in part for residence purposes for not more than 4 families and in part for business purposes.

(5) "OTHER-HOME-TYPE PROPERTY" means real estate upon which there is located a structure or structures containing dwelling units for 5 or more families.

(6) "OTHER-COMBINATION-HOME-AND-BUSINESS-TYPE PROPERTY" means real estate upon which is located a structure or structures used in part for residence purposes for 5 or more families and in part for business purposes. This classification includes fraternity or sorority houses which have sleeping accommodations for college students, and structures used principally for providing living accommodations for students, employees or members of the staff of a college,

university, other educational institution, or hospital. Structures, known as dormitories for college students, also come within this classification.

(7) "COMMERCIAL-TYPE PROPERTY" means real estate upon which is located a structure or structures used strictly for commercial purposes. This classification also includes churches, schools, hospitals, nursing homes and homes for the aging.

(8) "SUBDIVISION PROPERTY" means vacant land that is being acquired, developed and improved, or developed and improved for residential purposes.

(9) "FULLY IMPROVED LOTS" mean vacant lots which are ready for the construction of single family dwellings or structures containing dwelling units for not more than 4 families thereon, and are pledged as security for loans to builders of homes.

(10) "VACANT LOT" means an improved or unimproved building site, upon which the borrower intends to construct and occupy as a residence, a structure containing dwelling units for not more than 4 families.

History: Cr. Register, January, 1964, No. 97, eff. 2-1-64; r. and rear (9), Register, April, 1964, No. 100, eff. 5-1-64; am. (6) and (7), Register, January, 1966, No. 121, eff. 2-1-66; cr. (10), Register, January, 1968, No. 145, eff. 2-1-68.

S-L 18.02 Maximum loan ratios to appraised values. Except as otherwise provided in Wis. Adm. Code sections S-L 18.10 and S-L 18.11, no mortgage loan shall exceed the ratios herein set forth:

(1) **STRAIGHT MORTGAGE LOANS.** (a) Straight mortgage loans, secured by real estate with any type of structures thereon, shall conform to the maximum loan ratios prescribed in sections 215.21 (6) (b) 1 and 2, Wis. Stats.

(b) When the proceeds of a straight mortgage loan are used for the purpose of construction of homes, as described in Wis. Adm. Code sections S-L 18.01 (1) to (4), the maximum loan shall conform to the 80% loan limit prescribed in section 215.21 (6) (b), Wis. Stats.

(c) When the proceeds of a straight mortgage loan are used for the construction of structures containing dwelling units for 5 or more families, or structures used in part for residential purposes for 5 or more families and in part for business purposes as described in Wis. Adm. Code section S-L 18.01 (5) and (6), the maximum loan shall not exceed 75% of the appraised value of the real estate security.

(d) When the proceeds of a straight mortgage loan are used for the purpose of construction of a commercial type structure, as described in Wis. Adm. Code section S-L 18.01 (7), the maximum loan, regardless of amount, shall not exceed 70% of the appraised value of the real estate security.

(2) **DIRECT REDUCTION MORTGAGE LOANS.** (a) *Home-type properties and combination-home-and-business-type properties.* Any mortgage loan secured by real estate upon which is erected or upon which it is immediately planned to erect a "Home Type" structure for a single family residence or a structure for residential purposes of not more than 4 families, or a "Combination-Home-and-Business-Type" structure used in part for residential purposes for not more than 4 families,

mortgagee, by resolution of the board of directors, specifically designating, by name, the appraiser who made the original appraisal.

(6) **INELIGIBLE SECURITY FOR METROPOLITAN AREA LOANS.** Subdivision loans, loans to builders on fully-improved residential lots, and loans on vacant lots, as defined in Wis. Adm. Code, sections S-L 18.01 (8), (9), and (10), shall not be eligible security for metropolitan area loans.

(7) **APPLICABILITY OF OTHER STATUTORY AND CODE PROVISIONS.** All loans made or purchased under the permissive authority of section 215.21 (28), Wis. Stats., must conform to other applicable standards, requirements and restrictions as contained in ch. 215, Wis. Stats., and the Savings and Loan section (S-L) of the Wis. Adm. Code.

History: Cr. Register, November, 1965, No. 119, eff. 12-1-65; renum. from S-L 18.17 to be S-L 18.18; am. (6), Register, January, 1968, No. 145, eff. 2-1-68.

S-L 18.19 Fully Insured Loans. Notwithstanding any limitation or restriction imposed elsewhere in this chapter, any association, whose aggregate of scheduled items is less than 4% of total assets, may, pursuant to the provisions of section 210.20, Wis. Stats., invest in or make loans of up to 100% of the appraised value or cost of the real estate security, whichever is less, provided that such loans are fully insured, to indemnify the association against all loss resulting from default, by a private mortgage insurance company permitted to do business in this state and by the Wisconsin Indemnity Fund.

History: Cr. Register, July, 1968, No. 151, eff. 8-1-68.