



STATE OF WISCONSIN

OFFICE OF THE COMMISSIONER OF SAVINGS AND LOAN

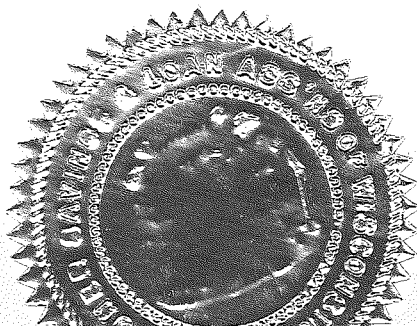
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I, JOHN C. SCHLOSSER, Deputy Savings and Loan Commissioner, and custodian of the Official Records of the Office of the Commissioner of Savings and Loan, do hereby certify that the annexed Order No. 73, amending Subsections S-L 18.12(2)(a), S-L 18.12(2)(b), S-L 18.12(3)(a), S-L 18.12(4) and S-L 18.12(5)(a), RULES OF THE OFFICE OF THE COMMISSIONER OF SAVINGS AND LOAN, WISCONSIN ADMINISTRATIVE CODE, was adopted by the Savings and Loan Commissioner on September 25, 1968, and approved by the Savings and Loan Review Board on September 25, 1968, without the holding of a public hearing thereon, pursuant to Section 227.02(1)(b), Wisconsin Statutes.

I further state that no public hearing was held for the reason that Order No. 73 is for the purpose of effecting compatibility with statutory provisions and Federal Rules concerning the percentage of retention of loans by originating lenders when selling participating interests therein to other lenders.

I further certify that publication of Order No. 73 will be made in the Wisconsin Administrative Register of November, 1968, No. 155, and that the subject matter in said Order No. 73 of the Rules of the Office of the Commissioner of Savings and Loan, Wisconsin Administrative Code, will become effective December 1, 1968.

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



IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the Official Seal of the Savings and Loan Commissioner, located at 142 East Gilman Street, in the City of Madison, this 4th day of October, 1968.

STATE OF WISCONSIN  
OFFICE OF THE COMMISSIONER OF SAVINGS AND LOAN

ORDER NO. 73

IN THE MATTER of prescribing Rules and Regulations, pursuant to authority contained in Section 215.02(12)(a), Wisconsin Statutes, for conducting the business of Savings and Loan Associations operating under Chapter 215, Wisconsin Statutes.

WHEREAS, subsections S-L 18.12 (2)(a), S-L 18.12(2)(b), S-L 18.12(3)(a), S-L 18.12(4) and S-L 18.12(5)(a), Wisconsin Administrative Code, approved and promulgated as parts of Order No. 66, and which became effective November 1, 1966, required originating lenders to retain a 50% interest in mortgage loans when selling participating interests therein to savings and loan associations, and

WHEREAS, Section 215.21(15), Wisconsin Statutes, requires the originating lender to retain at least a 25% interest in a mortgage loan when selling participating interests therein to savings and loan associations, and

WHEREAS, Section 563.9-1 of the Rules and Regulations for Insurance of Accounts do not impose any restrictions as to the percentage of a mortgage loan that an originating lender must retain when selling a participating interest therein to a savings and loan association, provided the real estate security is located within the normal lending area of the association purchasing said participating interest, and

WHEREAS, Commissioner's Order No. 73 is for the purpose of bringing up certain provisions of Section S-L 18.12, Wisconsin Administrative Code, relating to Participation Loans to effect compatibility with Sec. 215.21(15), Wisconsin

Statutes and Sec. 563.9-1 of the Rules and Regulations for Insurance of Accounts,

NOW, THEREFORE, IT IS ORDERED:

1. That Order No. 73, amending subsections S-L 18.12(2)(a), S-L 18.12(2)(b), S-L 18.12(3)(a), S-L 18.12(h) and S-L 18.12(5), Rules of the Office of the Commissioner of Savings and Loan, Wisconsin Administrative Code, is hereby adopted to read as:

SECTION 1

To amend S-L 18.12(2)(a) to read as follows:

S-L 18.12(2) ORIGINATION OF MORTGAGE LOANS AND SALES OF PARTICIPATING INTERESTS THEREIN BY INSURED STATE-CHARTERED SAVINGS AND LOAN ASSOCIATIONS.

(a) Any insured, state-chartered savings and loan association may originate a mortgage loan on any type of improved real estate, as defined in Wis. Adm. Code, Section S-L 18.01(3), (4), (5), (6) and (7), said real estate being located not more than 50 miles from its office, and within 100 miles of the purchasing lender's office and sell a participating interest therein to any lender as defined in subsection (1)(d) above. The originating association must retain at least a 25% interest in such loan.

SECTION 2

To amend S-L 18.12(2)(b) to read as follows:

S-L 18.12(2)(b) Except as provided otherwise in par. (c), any insured, state-chartered savings and loan association may originate a mortgage loan on any type of improved real estate, as defined in Section S-L 18.01(3), (4), (5), (6) and (7), said real estate being located more than 50 miles but less than 100 miles from its office and within 100 miles of the purchasing lender's office, and sell a participating interest therein to:

1. Any insured, state-chartered savings and loan association;
2. Any Federal savings and loan association;

3. Any insured bank; or
4. Any tax exempt organization operating under Section 501(a) of the Internal Revenue Code.

The originating association must retain at least a 25% interest in such loan.

#### SECTION 3

To amend S-L 18.12(3)(a) to read as follows:

S-L 18.12(3) PURCHASES OF PARTICIPATING INTERESTS IN MORTGAGE LOANS BY INSURED, STATE-CHARTERED SAVINGS AND LOAN ASSOCIATIONS. (a) Any insured, state-chartered savings and loan association may purchase a participating interest in a mortgage loan from any lender, as defined in subsection (1)(d) above, said real estate being located within the normal lending territory of the purchasing association, and of any improved type as defined in Wis. Adm. Code Section S-L 18.01(3), (4), (5), (6) and (7). The originating lender must retain at least a 25% interest in such loan.

#### SECTION 4

To amend S-L 18.12(4) to read as follows:

S-L 18.12(4) ORIGINATION OF MORTGAGE LOANS AND SALE OF PARTICIPATING INTERESTS THEREIN BY NON-INSURED, STATE-CHARTERED SAVINGS AND LOAN ASSOCIATIONS. Any non-insured, state-chartered savings and loan association may originate a mortgage loan on any type of improved real estate, as defined in Section S-L 18.01 (3), (4), (5), (6) and (7), said real estate being located within its 100 mile lending area, and sell a participating interest therein to any lender as defined in subsection (1)(d) above. The originating association must retain at least a 25% interest in such loan.

#### SECTION 5

To amend S-L 18.12(5)(a) to read as follows:

S-L 18.12(5) PURCHASES OF PARTICIPATING INTERESTS IN MORTGAGE LOANS BY NON-INSURED, STATE-CHARTERED SAVINGS AND LOAN ASSOCIATIONS. (a) Any non-insured, state-chartered savings and loan association may purchase a participating interest in a mortgage loan from any lender, as defined in subsection (1)(d) above, said improved real estate being of any type, as defined in Section S-L 18.01(3), (4), (5), (6) and (7), located within 100 miles of its office and within 100 miles of the purchasing lender's office. The originating lender must retain at least a 25% interest in such loan.

2. That, in view of the fact that the subject matter of Order No. 73 is for the purpose of effecting compatibility with Section 215.21(15), Wisconsin Statutes and Section 563.9-1 of the Rules and Regulations for Insurance of Accounts, relating to participation loans, no public hearing was held thereon, pursuant to the provisions of Section 227.02(1)(b), Wisconsin Statutes, and
3. That Order No. 73 shall become a part of the Rules of the Office of the Commissioner of Savings and Loan, Wisconsin Administrative Code, effective December 1, 1968, after publication thereof in the Wisconsin Administrative Register for November 1968, No. 155.

  
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John C. Schlosser  
Deputy Commissioner

This Order was approved by the Savings and Loan Review Board on September 25, 1968.