



STATE OF WISCONSIN )  
 ) SS  
 OFFICE OF COMMISSIONER OF SAVINGS AND LOAN)

I, R. J. McMAHON, Commissioner of Savings and Loan, and custodian of the Official Records of the Office of Commissioner of Savings and Loan, do hereby certify that the annexed Order No. 82, consisting of the following sections:

- Section 1 Amending Section S-L 7.01(1)
- Section 2 Amending Section S-L 17.01
- Section 3 Creating Section S-L 18.011
- Section 4 Amending Section S-L 18.12
- Section 5 Creating Section S-L 18.121
- Section 6 Amending Section S-L 18.03(2) (a)

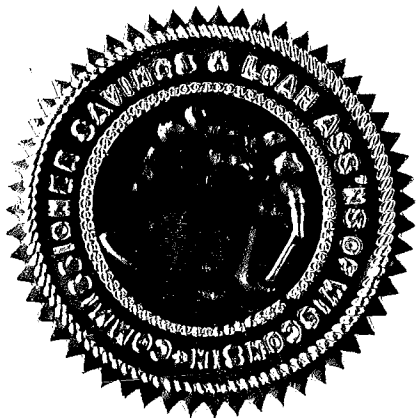
RULES OF THE OFFICE OF THE COMMISSIONER OF SAVINGS AND LOAN, WISCONSIN ADMINISTRATIVE CODE, was initially adopted by me, R. J. McMAHON, Commissioner of Savings and Loan, on May 4, 1972, and initially approved by the Savings and Loan Review Board on May 4, 1972, under the procedure prescribed in Section 227.02(1)(e), Wis. Stats.

I further certify that publication of the proposed amendments was made in the Wisconsin Administrative Register, May 1972, No. 197, and that no application for a public hearing thereon was filed within the 30 day period prescribed in Section 227.02(1)(e), Wis. Stats.


I further certify that Order No. 82 was finally adopted by me, R. J. McMAHON, Commissioner of Savings and Loan on July 19, 1972, and approved by the Savings and Loan Review Board on July 19, 1972.

I further certify that publication of Order No. 82 will be made in the Wisconsin Administrative Register of August 1972, No. 200, and will become effective September 1, 1972.

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



IN TESTIMONY WHEREOF, I have here-  
unto set my hand and affixed the  
Official Seal of the Savings and  
Loan Commissioner, located in  
Room 800, State Office Building,  
One West Wilson Street, in the  
City of Madison, this 20th day  
of July, 1972.

  
R. J. McMahon  
Commissioner

STATE OF WISCONSIN  
OFFICE OF THE COMMISSIONER OF SAVINGS AND LOAN

ORDER NO. 82

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

WHEREAS, this matter was initially approved by the Savings and Loan Commissioner and the Savings and Loan Review Board on May 4, 1972, under the procedure prescribed in Section 227.02(1)(e), Wis. Stats., and

WHEREAS, official notice of the proposed changes was published in the Wisconsin Administrative Register, May 1972, No. 197, pursuant to the requirements of Section 227.02(1)(e), Wis. Stats., and

WHEREAS, no petition for a public hearing on the proposed changes was filed during the 30 day period subsequent to the publication of the official notice of the proposed changes in the Wisconsin Administrative Register, May 1972, No. 197, and

WHEREAS, the proposed changes were finally approved by the Savings and Loan Commissioner and the Savings and Loan Review Board on July 19, 1972.

NOW, THEREFORE, IT IS ORDERED:

That Order No. 82, consisting of the following six sections, is adopted to read:

## SECTION 1

Section S-L 7.01(1) is amended to read:

S-L 7.01 Designated legal holidays. (1) The commissioner of savings and loan pursuant to Section 215.26(5), Wis. Stats., designates as legal holidays the following days set forth in Section 256.17, Wis. Stats., on which no savings and loan association shall transact business or be open for the transaction of business:

- (a) January 1
- (b) 3rd Monday in February
- (c) Last Monday in May
- (d) July 4
- (e) 1st Monday in September
- (f) 2nd Monday in October
- (g) 4th Monday in October
- (h) 4th Thursday in November
- (i) December 25
- (j) Good Friday from 12 m. to 3 p.m.

## SECTION 2

Section S-L 17.01 is amended to read:

S-L 17.01 Property Improvement Loans. Unless further restricted pursuant to Section 215.20(2), Wis. Stats., the maximum amount of any property improvement loan shall not exceed \$10,000 and shall be repaid in regular monthly installments within a period of 10 years. Property improvement loans may not be made to any officer, director or employee of any association unless that person is the owner and occupant of the property to be improved.

NOTE: Property improvement loans may be subject to further restrictions under Wisconsin Statutes.

### SECTION 3

Section S-L 18.011 is created to read:

S-L 18.011 Maximum period of loan amortization. (1) DIRECT REDUCTION MORTGAGE LOANS. Contractual monthly payments on direct reduction loans granted in accordance with Section 215.21(6)(a), Wis. Stats., shall at all times be sufficient to retire the loan within 30 years from the date of first payment or the date of any additional advance.

(2) STRAIGHT MORTGAGE LOANS. No straight mortgage loan shall be granted for a term of years greater than that prescribed in Section 215.21(6)(b), Wis. Stats.

### SECTION 4

Section S-L 18.12 is amended to read:

S-L 18.12 Participation Loans. (1) DEFINITIONS. As used in this section the term "approved lenders" means:

- (a) Federal savings and loan associations.
- (b) Banks insured by the Federal Deposit Insurance Corporation.
- (c) Insurance companies licensed to do business in this state.
- (d) State-chartered savings and loan associations insured by the Federal Savings and Loan Insurance Corporation, or other insuring bodies approved by the Commissioner.
- (e) State-chartered savings and loan associations organized under Ch. 215, Wis. Stats., which members' accounts are not insured.
- (f) Other instrumentalities or corporations organized, owned, or controlled wholly or in part by this state or the United States.
- (g) Tax exempt organizations operated under subsection (a) of Section 501 of the Internal Revenue Code as now or hereafter in effect.
- (h) Approved Federal Housing Administration mortgagee.

(2) **LOANS WITHIN NORMAL LENDING AREA.** Any association may purchase a participating interest in loans on the security of real estate located within its normal lending area as defined in Sec. 215.21(2) from an approved lender and may sell a participating interest in any loan to any purchaser.

(3) **LOANS ON REAL ESTATE LOCATED BEYOND NORMAL LENDING AREA.** Any association may purchase a participating interest in loans on the security of "home-type" or "other home-type" properties located beyond its normal lending area as defined in Sec. 215.21(2) from an approved lender, provided that:

(a) The loan is government insured or guaranteed; or

(b) The originating lender certifies that:

(1) The security property is located within its regular lending area.

(2) Any loan in excess of 80% of appraised value shall be further collateralized as provided in S-L 18.10.

Any association may sell participating interests in loans to any purchasers located beyond its normal lending area.

(4) **RETENTION REQUIREMENT.** The originating lender in all cases shall retain at least a 10% interest in each loan in which a participating interest is sold. The selling institution shall certify to all purchasers that such interest will be retained.

(5) **PERCENTAGE OF ASSETS.** The aggregate amount of participating interests purchased shall not exceed 40% of the association's assets. The provisions of this paragraph shall not apply to any loan that is government insured or guaranteed.

(6) **LOAN DOCUMENTATION.** (a) Mortgage and Mortgage Notes of Participation Loans.

The mortgage and mortgage note of any participation loan shall contain only the name of the originating lender as the "Mortgagee" and shall be retained by said originating lender along with the other related documents.

(b) Participation Loan Agreement and Loan Certificate. Each participation loan shall be evidenced by a participation loan agreement and loan certificate, executed

and signed by both the originating lender and the purchasing lender. The participation loan agreement shall be in such form as determined by the attorneys of the participants concerned. The participation loan certificate shall properly identify the security.

(7) SALE OF PARTICIPATING INTERESTS IN MORTGAGE LOANS. The sale of a participating interest in any mortgage loans by an association organized pursuant to Ch. 215, Wis. Stats. shall be without recourse.

(8) APPLICABILITY OF OTHER STATUTORY AND CODE PROVISIONS. All participation loans, whether retained portions of those originated or the participating interests purchased from other lenders, must conform to other applicable standards, requirements and restrictions contained in Ch. 215, Wis. Stats., and the Savings and Loan section (S-L) of the Wis. Adm. Code.

#### SECTION 5

Section S-L 18.121 is created to read:

S-L 18.121 Loans as Joint Mortgagee with other Lenders. (1) Any association may make joint loans with other approved lenders as defined in S-L 18.12(1). Each joint mortgage shall be evidenced by a single mortgage securing the mortgage notes held by the mortgagees participating in such joint venture.

(2) All joint mortgage loans must conform to other applicable standards, requirements and restrictions contained in Ch. 215, Wis. Stats., and the Savings and Loan section (S-L) of the Wis. Adm. Code.

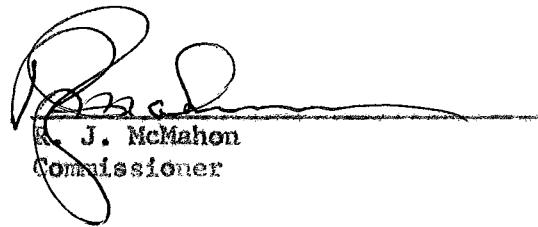
(3) At the time of closing a joint mortgage loan, the joint mortgagees shall execute an agreement setting forth the rights, duties, and responsibilities of the parties to the transaction. Joint loan agreements shall be in such form as determined by the attorneys of the joint mortgagees concerned.

#### SECTION 6

Section S-L 18.03(2)(a) is amended to read:

S-L 18.03(2) (a) The aggregate of mortgage loans secured by "Commercial-Type" property shall not exceed 18% of the total assets of the association in accordance with Sec. 215.21(7) (c).

IT IS FURTHER ORDERED, that Order No. 82 shall become a part of the Rules of the Commissioner of Savings and Loan, Wisconsin Administrative Code, effective the first day of the month following publication thereof in the Wisconsin Administrative Register for August 1972, No. 200.



R. J. McMahon  
Commissioner

This Order was approved by the Savings and Loan Review Board on July 19, 1972.