

[No. 182, S.]

[Published April 25, 1889.]

## CHAPTER 525.

AN ACT regulating building and loan associations.

*The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:*

SECTION 1. No foreign building and loan association of any kind, and no foreign association or corporation representing itself to be a "building and loan association," or doing business on the building society plan, and no association or corporation organized under the laws of any other state or territory and doing business in the manner provided for "mutual loan and building corporation" by chapter 93, of the revised statutes of this state, or upon any similar installment plan, shall issue its shares, receive moneys or transact any business in this state unless such association shall have and keep on deposit with the state treasurer of Wisconsin, in trust, for the benefit and security of all its members in this state, the securities of the actual cash value of one hundred thousand dollars of the kind mentioned in section 2, of this act; to be approved and accepted by said state treasurer, and held in trust as aforesaid, until all shares of such association held by residents of this state shall have been fully redeemed and paid off by such association, and until its contracts and obligations to persons and members residing in this state shall have been fully performed and discharged, and such deposit of securities shall be examined annually by the state treasurer, and if approved by him after such examination, he shall renew his certificate for such deposit, and thereupon the commissioner of insurance may renew his certificate of authority to said association as hereinafter provided.

Foreign building and loan associations, when may do business; deposit to be made by.

SECTION 2. The securities to be deposited as mentioned in section 1, of this act, may consist of bonds or treasury notes of the United States, or national bank stock, or bonds of this state or any other state of the United States, or any city, town, or county of this state or any other

Securities to be deposited by, what to consist of.

Dividends, etc., accruing on securities to be collected and retained by association.

New securities, when to be added.

Fees to be paid by association.

License, commissioner of insurance to issue for one year; revocation of.

state of the United States having legal authority to issue the same, or of personal obligations of members of the association depositing the same, taken in the ordinary course of business of such association, and secured by first mortgages or real estate worth, at least, double the amount of money advanced to such members thereon, exclusive of premiums. All dividends and interest which may accrue on securities held by the state treasurer, as provided for herein, and all dues or monthly payments which become payable on stock pledged as security for loans, the mortgages for which are on deposit with the state treasurer, in accordance with the provisions of this act, may be collected and retained by the association depositing such securities or mortgages, so long as such association remains solvent and faithfully performs all contracts with its members. Any securities on deposit as provided herein, may from time to time be withdrawn if others of equal value and of the character named in this section are substituted therefor. If any securities on deposit, as provided in this act, are wholly or partially extinguished by payments on the same or otherwise, or such securities depreciate in value for any cause, new securities must be added, so that the deposit may at all times be kept good and of the value of one hundred thousand dollars.

**SECTION 3.** No building and loan association organized under the laws of any other state, territory or nation, shall do business in this state without having first paid the fees prescribed in this act, and obtained from the state treasurer of Wisconsin a certificate for the deposit so made as required by the foregoing provisions, and from the commissioner of insurance of this state a certificate of authority or license, authorizing said association to do business in Wisconsin, stating that such association has complied with all the provisions of this chapter, and such certificate shall be in force one year unless sooner revoked and shall be renewed from year to year, and unless so renewed and continued in force, such association shall not do business in this state, and the state treasurer and commissioner may revoke such license whenever the deposit of sureties shall not be kept good and of the value of one hundred

thousand dollars as provided in section 2, of this act.

**SECTION 4.** Every building and loan association organized under the laws of any other state, territory or nation shall, before commencing to do business in this state:

First. File with the secretary of this state a duly authenticated copy of its charter or articles of incorporation.

Articles to be filed with secretary of state.

Second. File with the state treasurer of this state the certificate of some financial officer of another state, or the president and secretary of some responsible trust company, in trust for all the members of such building and loan association.

Certificate to be filed with state treasurer.

Third. File with the secretary of this state a duly authenticated copy of a resolution adopted by the board of directors of such association, stipulating and agreeing that if any legal process affecting such association be served on said secretary of state, and a copy thereof be mailed, postage prepaid, by the party procuring the issue of the same, or his attorney, to said association addressed to its home office, then such service and mailing of such process shall have the same effect as personal service on said association in this state.

File with secretary of state authenticated copy of resolution agreeing that process may be served on secretary of state.

Fourth. Pay to the secretary of state twenty-five dollars for filing the papers mentioned in this section.

Fee for filing.

**SECTION 5.** When process against or affecting any foreign building and loan association is served on the secretary of state the same shall be by duplicate copies, one of which shall be filed in the office of said secretary of state and the other by him immediately mailed, postage prepaid, to the home office of said association.

Process, how served on secretary of state; duty of secretary.

**SECTION 6.** The word "process" in this act shall include any writ, declaration, summons or order whereby an action, writ or proceeding shall be commenced, or which be issued in or upon any action, suit or proceeding authorized by law in this state.

Process, what to include.

**SECTION 7.** Service of process according to a stipulation provided in section 4, of this act shall be sufficient personal service on the association filing such stipulation.

Service of process, when sufficient.

**SECTION 8.** When by the laws of any other state, territory, or nation any taxes, fines, penalties, licenses, fees, deposits, or money or securities

Laws of other states, etc., imposing obligations (taxes, etc.) on associations, when to be imposed upon associations of such state, etc., doing business here.

or other obligations or prohibitions are imposed on building and loan associations of this state doing business in such other state, territory, or nation, or upon their agents therein, so long as such laws continue in force, the same obligations and prohibitions of whatever kind, shall be imposed upon all building and loan associations of such other territory or nation doing business in this state and upon their agent here.

What included as "building and loan associations."

SECTION 9. The name "building and loan association" as used in this act shall include all corporations, societies, or organization or association doing a savings and loan or investment business, on the building society plan, whether mutual or otherwise, and whether issuing certificates of stock which matures at a time fixed in advance or not.

Penalty for soliciting subscriptions to stock before association is authorized to do business.

SECTION 10. Any officer, director, or agent of any foreign building and loan association, who shall in this state solicit subscriptions to the stock of such association, or who shall sell or issue, or knowingly cause to be sold or issued, to a resident of this state, any stock of such association, while said association has not on deposit as required by section 3, of this act, securities of the value of one hundred thousand dollars, or before said association has complied with all the provisions of this act, shall be guilty of a misdemeanor and upon conviction thereof shall be punished by a fine not less than one hundred dollars or more than five hundred dollars or by fine and imprisonment of not less than ten days or more than six months, or both such fine and imprisonment in the discretion of the court.

Penalty for selling without license.

SECTION 11. Any officer, director or agent of any building and loan association incorporated under the laws of any other state, territory or nation, who shall sell, issue, or knowingly cause to be sold or issued to any person in this state, any shares or stock of such association, or solicit any business for the same in this state while said association does not have in force a certificate of authority or license from the commissioner of insurance of this state authorizing such association to do business in Wisconsin, shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be punished by a fine of not less than one hundred dollars or more than five hundred dollars, or by imprisonment of not less than ten days or

more than six months, or both such fine and imprisonment, in the discretion of the court.

SECTION 12. No fines or any premium offered or paid to secure preference or priority in making loans in any mutual building and loan association, shall be deemed usurious, and the same may be collected as debts of like amount are now collected by law in this state.

Fines and premiums offered to secure loans not usurious.

#### REPORTS.

SECTION 13. The president or vice-president and secretary of each building and loan association, doing business in this state, shall annually, at the close of their respective fiscal year prepare and deposit in the office of the commissioner of insurance, a statement verified by their oath of the business of the association during the year, exhibiting the following items:

Report of officers to be filed with commissioner of insurance.

What to contain.

First. The amount of capital stock of the association in good standing, stating the amount subscribed during the preceding year.

Second. The amount of stock which has lapsed or been forfeited.

Third. The property or assets of the association specifying:

1. The value of the real estate held by such association.

2. The amount of cash on hand in such association's office and, also, the amount deposited in bank to credit of such association, specifying in what bank or banks the same is deposited.

3. The amount of loans secured by bonds or mortgages constituting first lien on real estate on which all interest is paid.

4. The amount of loans on which the interest shall be in arrears.

5. The amount due the association on which judgments have been obtained.

6. The amount of interest actually due and unpaid.

7. Any other property, rights, or credits of which the association may be possessed.

8. The amount derived from fines, forfeitures, lapses, or otherwise.

Fourth. The liabilities of such association specifying:

1. The value of the shares which shall consist

of a statement of all monthly dues paid thereon, together with accumulated profits showing the amount of each.

2. Losses arising from foreclosure of mortgages or otherwise.

3. The amount of money borrowed and security given for the payment thereof.

4. The amount of all other existing claims against the association.

Fifth. The income of the association during the preceding year, specifying:

1. The amount of monthly instalments received.

2. The amount of interest money received.

3. The amount of income derived from other sources.

Sixth. The expenditures during the preceding year, specifying:

1. The amount paid officers' salaries.

2. The amount paid agents.

3. The amount paid for office expenses and rent.

Other items may be required by commissioner.

Statement to be published.

Penalty for failure to make or reply to inquiries addressed by commissioner or for false statements.

Fee for filing statement to be paid commissioner.

Seventh. Any other items which the commissioner of insurance may require. The said commissioner shall cause said report to be published in a newspaper published in the village or city wherein is located the principal office of such association, the cost of such publication to be paid by such association. For any failure to make and deposit such annual statement, or to promptly reply in writing to any inquiry addressed by the commissioner of insurance in relation to the business of any such association, or for wilfully making any false statement therein, every such association or officer so failing or making false statement shall forfeit five hundred dollars, and for neglecting to file such annual statement an additional five hundred dollars for every month that such association shall continue thereafter to transact any business in this state, until such statement be filed, and no such statement shall be deemed to be complete under the provisions of this act unless it shall be accompanied, at the time of filing, by a payment of twenty-five dollars to the commissioner of insurance for the benefit of the state.

SECTION 14. This act shall take effect and be in force from and after its passage and publication.

Approved April 19, 1889.