

Senate Bill 483

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**CHAPTER 280**

AN ACT to amend 222.09, 222.12 (1), 222.14, 222.16 and 222.20; and to repeal and recreate 222.13 and 222.17 of the statutes, relating to powers and duties of mutual savings banks.

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

SECTION 1. 222.09 of the statutes is amended to read:

222.09 No corporator, trustee, director, ~~nor~~ or any other officer, except the treasurer, the assistant treasurer, and the members of the finance committee, shall receive any compensation for his services in the management of such bank, nor derive any emolument therefrom; ~~provided, however, that the president may receive for his services a sum not exceeding \$500 per annum, when the deposits shall exceed \$500,000.~~ , but when the deposits shall exceed \$1,000,000, the president, trustee, or corporator elected or appointed ~~an~~ any other officer or employe of the

bank who ~~shall perform~~ *performs* the duties required of his office or position, shall receive such compensation as the board of trustees ~~may determine~~ *determines*.

SECTION 2. 222.12 (1) of the statutes is amended to read:

222.12 (1) The aggregate amount of deposits to the credit of any individual or any copartnership, corporation or society at any time, shall not exceed ~~\$5,000~~ *the maximum amount insurable by the federal deposit insurance corporation*. Additional accounts may, however, be maintained in the name of a parent as trustee for a dependent, or minor child, in the name of a child as trustee for a dependent parent, and in the name of any corporation as trustee for an employe under any system of pensioning, ~~provided that~~ *but* any mutual savings bank with aggregate deposits exceeding \$1,000,000, may receive from any one individual or any copartnership, corporation or society, a deposit not exceeding one per cent of the total amount of deposits.

SECTION 3. 222.13 of the statutes is repealed and recreated to read:

222.13 INVESTMENT OF DEPOSITS. (1) Any mutual savings bank organized hereunder may invest:

(a) In obligations of the United States and obligations guaranteed by the United States and may further employ not exceeding one-half of its deposits in the purchase of the bonds of the states of the United States or of the authorized bonds of any incorporated city, village, town, county, school district or of the direct obligation bonds of other municipalities in the aforesaid states of the United States. The investment in obligations of any single state, city, village, town, county, school district or other municipality of the same class and issue shall not exceed 50% of the guaranty fund and undivided profits.

(b) In notes, debentures and bonds of one or more federal home loan banks, debentures of one or more banks for co-operatives, debentures of the central bank for co-operatives, bonds of one or more federal land banks, notes and debentures of the federal national mortgage association, debentures of the federal intermediate credit banks, but investment in any one of the aforesaid of the same class and issue shall not exceed 50% of the guaranty fund and undivided profits. Investment in bonds of the international bank for reconstruction and development and bonds of the inter-American development bank shall be limited to 10% of the guaranty fund and undivided profits of either of such bonds; in bankers' acceptances eligible for purchase by federal reserve banks, said investment shall not exceed 50% of the guaranty fund and undivided profits; and in stock in a federal home loan bank or stock in a federal reserve bank, investment shall not exceed an amount that will qualify such mutual savings bank for membership in said federal home loan bank or federal reserve bank.

(c) In general obligations of or obligations fully guaranteed as to both principal and interest by Canada or any province of Canada. Any investment by a mutual savings bank in a Canadian obligation shall be subject to the limitations and conditions that such obligation is payable in United States funds, and that immediately upon the making of such investment, not more than 10% of the bank's deposits will be invested in Canadian obligations and if the investment is in an obligation of a province of Canada, that not more than 5% of the bank's deposits will be invested in the obligations of such province. Investment in said Canadian obligations and obligations of a province of Canada of the same class and issue shall not exceed 25% of the guaranty fund and undivided profits.

(d) In bonds and debentures of recognized bank investment quality issued by any corporation organized under the laws of the United States or any state, subject to the further limitations and conditions that at the

time of such investment the aggregate of the reserves and undivided profits of the bank is at least equal to 5% of the deposits of the bank and that immediately upon the making of any investment in any aforementioned bonds and debentures under this paragraph, the aggregate amount of all bonds and debentures eligible under this paragraph does not exceed 50% of its deposits, and the quantity of the aforementioned bonds and debentures of the same class and issue then held by the bank shall not exceed 25% of said bank's guaranty fund and undivided profits.

(2) All other loans, except as provided in s. 222.14, shall be secured by mortgage on unencumbered real estate lying in this state or immediately adjoining states. No loan shall be made upon real estate to any amount exceeding 80% of the value thereof as determined by not less than a majority of the members of the finance committee who shall duly certify to the value of the premises to be mortgaged, according to their best judgment, and such report shall be filed and preserved with the records of the corporation. All loans shall be completely amortized within 25 years. The total amount of any first real estate loan or mortgage loan secondary to federal housing administration loans may exceed the limit herein stated when such excess is guaranteed under the servicemen's readjustment act of 1944, P.L. 78-346, and acts amendatory thereto and supplemental thereto.

SECTION 4. 222.14 of the statutes is amended to read:

222.14 (1) No such mutual savings bank shall loan any money upon any obligation unless the same ~~be~~ is secured by collateral in which the bank might invest its funds or on which it might loan its money to the extent authorized by s. 222.13, *but personal obligation loans may be made not supported by such collateral to an extent of 2% of the assets of said bank. No such loan shall exceed \$3,000 and shall be payable in not to exceed 3 years, and 32 days at the maximum interest allowed by the law under ch. 115.*

(2) *Any mutual savings bank organized hereunder may make any loan secured by a life insurance policy, not exceeding the cash surrender value of such policy.*

SECTION 5. 222.16 of the statutes is amended to read:

222.16 The income or ~~profits~~ *earnings* of every mutual savings bank after deduction of all reasonable expenses and reserves incurred in the management thereof, and the amounts reserved for a guaranty fund, shall be divided among the depositors or their legal representatives ~~semiannually~~ *not less than quarterly* at the times ~~fixed~~ *approved* by its ~~by laws~~ *trustees*. Every such mutual savings bank shall, before making any ~~semi-annual~~ *disbursement* of earnings, reserve as a guaranty fund from the net ~~profits~~ *earnings* which have accumulated during the ~~6 months~~ *period* then next preceding, a sum equal to not less than 12½% of the net earnings, until such guaranty amounts to 10% of the average amount of deposits for the preceding 3 years. If a lesser amount will make the guaranty fund equal to 10% of the average amount of deposits for the 3 preceding years, such sums shall be allocated to the guaranty fund as will maintain said guaranty fund in an amount equivalent to 10%.

SECTION 6. 222.17 of the statutes is repealed and recreated to read:

222.17 ORDINARY DIVIDENDS. (1) Ordinary dividends shall be paid for the period immediately preceding the date of dividend, only from net earnings and undivided profits.

(2) A mutual savings bank may classify its depositors on such bases as the commissioner of banks finds equitable, may agree with its depositors in advance to pay an additional dividend on deposits based on such classi-

fication, and may regulate such dividend in such manner that each depositor receives the same ratable portion of dividends as all others of his class.

SECTION 7. 222.20 of the statutes is amended to read:

222.20 Every such mutual savings bank shall keep on hand or on deposit in banks approved by the commissioner of banks as reserve banks, at least 5% of its total deposit. *United States government obligations owned by such mutual savings bank, not in excess of 2% of said total deposit, may be considered as a part of such required reserve.*

Approved September 9, 1965.

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