

## COMMISSIONER OF BANKING

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## Chapter Bkg 7

## MORTGAGE LOANS

## Bkg 7.01 Supporting data required

**Bkg 7.01 Supporting data required.** Each real estate mortgage loan made by a state bank of Wisconsin in an amount for which collateral or a current sworn financial statement is required by the provisions of section 221.29 (5) (a) to (g), Wisconsin Statutes, shall be supported by the following documents and information:

(1) A note properly executed and a mortgage instrument properly executed and recorded.

(2) A current abstract of title showing title in the borrower and the mortgage to the bank accompanied by an attorney's opinion indicating the relative position of the bank's mortgage, or a title policy in favor of the bank covering its interest as mortgagee in the property.

(3) An appraisal indicating the sound value of the land and of the improvements, which appraisal shall be signed by 2 disinterested parties neither of whom shall be an employee, officer or director of the bank provided that one signature shall be sufficient if the party signing is a licensed real estate agent or broker.

(4) (a) The borrower shall cause the buildings and improvements on any property on which the bank has a mortgage to be insured and kept insured, unless the bank maintains insurance under par. (b), up to the full insurable value during the life of the loan, for the benefit of the bank, against loss by fire, windstorm and such other hazards as the bank requires. The selection of the insurance agent or insurer through which the insurance covering such property is to be negotiated shall be made in accordance with sections 134.10 and 207.04 (3), Wis. Stats.

(b) The insurance policies or evidence or certificate of the existence of such insurance policies shall remain on deposit with the bank until the loan is paid. A bank which carries adequate insurance, issued by a company licensed to write insurance protecting the bank from losses under paragraph (a) at no cost to the borrower if the borrower fails to maintain his insurance, shall not be required to request or record future insurance policies of the borrower if at the time of closing the mortgage transaction the borrower deposited with the bank an acceptable policy or evidence or certificate of the existence of such an insurance policy, with a mortgage clause protecting the interest of the bank.

(5) Authoritative evidence of the status of the real estate taxes on the mortgaged property.

**History:** 1-2-56; am. (4), Register, April, 1970, No. 172, eff. 5-1-70. Register, April, 1970, No. 172