

renewed or extended and shall state the additional time desired, and shall be signed by the borrower.

(2) The board of directors shall take formal action upon each extension and renewal request. If the board approved such application, the minutes shall state the time granted for the renewal or extension and the rate of interest to be paid.

(3) After the application for extension or renewal has been approved by the board, an "Extension of Mortgage" form shall be executed by the borrower and the association in such form as shall enable it to be recorded in the office of the register of deeds.

History: Cr. Register, January, 1964, No. 97, eff. 2-1-64.

S-L 18.09 Types of real estate unacceptable as mortgage loan security. Unless the real estate pledged as security on a mortgage loan shall abut on a public right-of-way or shall have access to a public right-of-way by a recorded easement, or where real estate security is located to the rear of another parcel of real estate owned by a party other than the owner of the real estate offered as security, it shall be unacceptable as security for a mortgage loan. An alley shall not be considered a public right-of-way.

History: Cr. Register, January, 1964, No. 97, eff. 2-1-64.

S-L 18.10 Loans in excess of 80% of Appraised Value. (1) **WHEN PERMITTED.** Any association whose aggregate of general reserves and undivided profits is equal to or in excess of 3% of total assets may make loans pursuant to the permissive authority of this section.

(2) **TYPES OF ELIGIBLE SECURITY.** Any association may exceed the 80% maximum loan ratio to appraised value of the real estate security, as imposed by subsection S-L 18.02 (2), Wis. Adm. Code, when such loans are secured by real estate single family dwellings, as defined in Wis. Adm. Code subsection S-L 18.02 (2) (a) and (b), or structures designed for residential use by 2 families, provided that the premises be occupied in whole or in part by the borrower as his dwelling.

(3) **PURPOSE OF LOANS.** Loans made under the provisions of this section may be for any purpose.

(4) **MAXIMUM LOAN RATIO.** No loan made pursuant to the provisions of this section shall exceed 95% of the appraised value of the real estate security.

(5) **MANDATORY ADDITIONAL SECURITY.** (a) That portion of any loan in excess of 80% of the appraised value of the real estate security shall be further secured by such acceptable collateral, as defined in subsection (5) (b) below, or mortgage insurance or both, as may be determined by the board of directors of the association. Nothing in this subsection shall be deemed to prevent any association from demanding that borrowers further secure their loans with additional collateral, or mortgage insurance, or both, in such percentages or amounts as determined and approved by the board of directors. The term, mortgage insurance, as used herein, is defined as insurance which shall indemnify the association, in whole or in part, against loss resulting from default of the borrower's contractual payments as specified in the mortgage note.

(b) Additional collateral, acceptable for loans made pursuant to this section, may consist of:

1. The cash surrender value of an insurance policy on the life of any person responsible for the payment of the mortgage note.

2. United States government securities, "E" Bonds excluded.

3. Market value of bonds, notes or other evidences which are a general obligation of any city, town, village, county or school district of this state.

4. Savings accounts of state-chartered and federally-chartered savings and loan associations, doing business in this state, including savings accounts of mortgagee association.

5. Savings accounts of savings and loan associations located outside of the state of Wisconsin, which are insured by the Federal Savings and Loan Insurance Corporation.

(c) Incumbered real estate, vacant lands, vacant lots, personal property and personal guarantors on the mortgage note are not eligible as additional collateral to loans granted pursuant to this section.

(6) OTHER REQUISITES. No loan in excess of 80% of the appraised value of the real estate security shall be made unless the following conditions are met:

(a) That no part of the single family residence or the 2 family residence is to be used for business purposes.

(b) That the parcel of land on which the single family residence or 2 family residence is located has no other residential, combination-home-and-business or commercial type property located upon it.

(c) That the borrower execute an affidavit or certificate stating that no additional financing other than the association's mortgage, has been agreed upon by the borrower.

(7) GENERAL. On loans made for the purpose of financing construction, the following must be observed by the association:

(a) The aggregate of loan proceeds up to the completion of construction shall not exceed 80% of the appraised value of the real estate.

(b) The amount of such loan in excess of 80% of the appraised value of the real estate security shall not be disbursed until:

1. Construction has been fully completed, and

2. The property has been occupied by the borrower as a dwelling.

(8) FORFEITURE PROVISIONS. The board of directors of an association may declare a loan, made under the provisions of this section, due and payable and commence legal proceedings to enforce collection whenever any of the following conditions exist while the unpaid balance of the loan exceeds 80% of the appraised value of the real estate security:

(a) Title to the real estate securing the loan has been conveyed to another person, or

(b) The borrower ceases to be an occupant of the property.

(9) LOANS TO 100% OF VALUE. In order to provide funds for financing of housing to low and moderate income families, an association may make loans not in excess of 100% of appraised value granted under the Housing Opportunity Allowance Program, 12 CFR 527. Loans made pursuant to the provisions of this section will not be subject to the mandatory security requirements set forth in subsection (5) above.

History: Cr. Register, January, 1964, No. 97, eff. 2-1-64; am. (6) (c), Register, April, 1964, No. 100, eff. 5-1-64; am. (4) and cr. (9), Register, May, 1971, No. 185, eff. 6-1-71.

Register, May, 1971, No. 185

OFFICE OF COMMISSIONER OF SAVINGS AND LOAN 64a

S-L 18.11 Mortgage loans secured by improved real estate and savings accounts of savings and loan associations. (1) Any association may make mortgage loans on the security of improved real estate, subdivision-type property and improved lots excluded, and the withdrawal value of savings and loan association savings accounts, and may exceed the maximum loan ratios prescribed in section 215.21 (6) (b), Wis. Stats. and Wis. Adm. Code sections S-L 18.02 (1) and (2),