

## Chapter CU 60

SAVINGS, DIVIDEND PERIODS AND EARLY WITHDRAWAL  
PENALTIES

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Note: Chapter CU 60 as it existed on April 30, 1982 was repealed and a new chapter CU 60 was created effective May 1, 1982.

**CU 60.01 Definitions.** (1) "Certificate of deposit" means a savings deposit evidenced by a non-negotiable instrument which provides, either on its face or in an accompanying clear and conspicuous disclosure:

- (a) The name or names of the depositor;
- (b) The principal amount of the deposit or initial deposit;
- (c) The dividend rate applicable to the certificate of deposit or initial deposit;
- (d) The expiration date at which time the certificate of deposit is due and payable upon surrender of the instrument;
- (e) and other material terms applicable to the certificate of deposit. These terms shall include, but are not limited to, any penalties which may be imposed by the credit union for premature withdrawal of the funds by the member; and the terms and conditions under which the deposit may be renewed, extended or increased.

(2) "Passbook savings account" means any book, statement of account, or similar record in which a running account of all moneys paid in or withdrawn by a credit union member on a savings account are recorded.

History: Cr. Register, April, 1982, No. 316, eff. 5-1-82.

**CU 60.02 Dividend periods.** (1) The board of directors shall establish the dividend periods applicable to each classification of members savings. Dividends may be calculated on the basis of any time period, from a minimum period of daily to a maximum period of annually.

(2) Dividends on each classification of members savings shall be calculated and paid in a consistent manner on all accounts complying with the requirements of that class.

History: Cr. Register, April, 1982, No. 316, eff. 5-1-82.

**CU 60.03 Certificates of deposit.** (1) The board of directors shall establish the policy with regard to maturities and minimum denominations for each classification of certificates of deposit. This policy shall be reviewed from time to time as conditions require.

(2) (a) At least 10 days prior to the maturity of a certificate of deposit, the credit union shall provide the holder written notice which sets forth

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the terms and options available to the holder with regard to continuation or renewal of the certificate.

(b) If the credit union elects not to renew a certificate of deposit, the credit union shall send the holder a clear notice of this intent at least 10 days prior to the maturity of the certificate. If a member is duly notified of the intention not to renew, it shall be optional with the credit union whether dividends will continue to be paid after maturity on certificates of deposit not surrendered at maturity date.

(3) At the option of the credit union, additional deposits may be permitted to certificate of deposit accounts without extending the original maturity of the certificate.

(4) The information contained in s. CU 60.06 of this rule shall be disclosed on all certificates of deposit or accompanying disclosure forms.

History: Cr. Register, April, 1982, No. 316, eff. 5-1-82.

**CU 60.04 Passbook savings accounts.** (1) The board of directors shall establish the conditions applicable to passbook savings accounts. These accounts may be issued in various classifications.

(2) Passbook savings accounts may be issued either with or without a stated maturity.

History: Cr. Register, April, 1982, No. 316, eff. 5-1-82.

**CU 60.05 Early withdrawal penalties.** (1) The board of directors shall establish the policy with regard to the penalties for early withdrawal from certificate of deposit accounts or passbook savings accounts with stated maturities. Early withdrawal penalties may be enforced up to the maximum permitted by the depository institutions deregulation committee for similar types of accounts held in banks and savings and loan associations. If early withdrawal penalties are enforced by a credit union, these penalties shall be applied in a consistent manner to all accounts of a similar classification. This policy shall state the conditions under which penalties may be waived or modified.

(2) Penalties imposed for early withdrawal from certificate of deposit accounts or passbook savings accounts with maturities may be deducted from the principal amount of the certificate or account balance.

(3) For all accounts on which early withdrawal penalties are applicable, at the time of initial deposit the credit union shall provide the member a clear disclosure in writing explaining the penalties and the conditions under which the penalties may be invoked.

History: Cr. Register, April, 1982, No. 316, eff. 5-1-82.

**CU 60.06 Credit union dissolution.** The liability for dividends declared by the board of directors on certificate of deposit accounts and passbook savings accounts shall terminate without penalty to the credit union upon the credit union entering an involuntary dissolution procedure, or if the commissioner shall take possession of the credit union under s. 186.29 of the Wisconsin Statutes. Upon dissolution, the commissioner shall determine the priority of payout of the various classifications of savings.

History: Cr. Register, April, 1982, No. 316, eff. 5-1-82.