

**Chapter S-L 4**

**REQUIREMENTS TO ORGANIZE  
A NEW ASSOCIATION**

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|----------|---|----------|---|
| S-L 4.01 | Minimum requirements for capital stock and mutual associations                            | S-L 4.04 | Insurance of accounts and bank membership |
| S-L 4.02 | Expense fund for mutual associations  | S-L 4.05 | Independent office                        |
| S-L 4.03 | Restriction upon initial savings investment of incorporators and first board of directors | S-L 4.06 | Application                               |

**History:** Chapter S-L 4 was repealed and recreated by emergency rule effective 9-28-73. The emergency rule was permanently adopted effective 1-1-74.

**S-L 4.01 Minimum requirements for capital stock and mutual associations.** (1) **DEFINITIONS.** In this section:

- (a) "Association" means a mutual or stock savings and loan association.
- (b) "Home office" has the meaning provided under s. 215.01(11), Stats.
- (c) "Market area" means:

1. The standard metropolitan statistical area if the home office of the association is to be located in a standard metropolitan statistical area; or
2. The population of the county where the home office is to be located or the population of the area from which the association anticipates obtaining 75% of its savings accounts, whichever is greater, if the home office is not located in a standard metropolitan statistical area.

(2) **CAPITAL STOCK ASSOCIATION.** Except as provided by sub. (3) the commissioner of savings and loan may approve the organization of a stock association and issue a certificate of incorporation only if all of the following conditions are met:

- (a) Stockholders pay to the association capital and additional paid-in capital totaling not less than \$1,000,000, if the population of the market area is less than 100,000; or not less than \$2,000,000 if the population of the market area is 100,000 or more.
- (b) Not less than 10 persons subscribe for and are issued stock of the association, except the commissioner may approve fewer stockholders if a corporation subscribes for and is issued stock sufficient to control the stock association.
- (c) The minimum dollar amount of savings account subscriptions and the number of persons subscribing, as required by the commissioner, are obtained.

(3) **INTERIM STOCK ASSOCIATION.** The commissioner may waive any portion of this chapter if the organization of a stock association is to facilitate the acquisition of 100 percent of the voting stock of an existing

stock association by a newly formed or existing savings and loan holding company or to facilitate any other transaction which is approved by the commissioner and involves an existing stock association.

(4) **MUTUAL ASSOCIATIONS.** The commissioner of savings and loan may approve the organization of a mutual association and issue a certificate of incorporation only if:

(a) Subscriptions for savings accounts are obtained from not less than 500 persons; and

(b) Not less than \$1,000,000 in savings account subscriptions are obtained if the population of the market area is less than 100,000; or not less than \$2,000,000 if the population is 100,000 or more.

(5) **ALLOCATION OF CAPITAL.** The allocation of proceeds of the issuance of capital stock in the organization of an association between stock and additional paid-in capital is subject to approval by the commissioner of savings and loan. The commissioner shall consider the potential effect on the safety and soundness of the association in approving an allocation under this subsection.

*History:* Cr. Register, December, 1973, No. 216, eff. 1-1-74; r. and recr. Register, December, 1983, No. 336, eff. 1-1-84.

**S-L 4.02 Expense fund for mutual associations.** The amount of the expense fund required by sub. 215.40 (6) (a), Stats. shall be no less than one-half of the minimum savings required by s. S-L 4.01. The commissioner may, at his discretion, require that the expense fund be established in a minimum amount greater than 50% of the minimum required savings accounts.

*History:* Cr. Register, December, 1973, No. 216, eff. 1-1-74; am. Register, June, 1977, No. 258, eff. 7-1-77.

**S-L 4.03 Restriction upon initial savings investment of incorporators and first board of directors.** The incorporators and the first board of directors of the proposed association shall enter into an agreement with the savings and loan commissioner that any money that they have invested in the association as a part of the initial savings requirement shall not be withdrawn or hypothecated during the first 5 years of business operations.

*History:* Cr. Register, December, 1973, No. 216, eff. 1-1-74.

**S-L 4.04 Insurance of accounts and bank membership.** (1) **INSURANCE OF SAVINGS ACCOUNTS.** A proposed mutual association shall not be granted a charter until it has made the necessary arrangements to have its savings accounts insured by the federal savings and loan insurance corporation. Any additional minimum savings requirement, that may be imposed as a "Condition of Insurance" by the federal savings and loan insurance corporation, shall in no way affect the amount of the expense fund as cited in s. S-L 4.02 above for mutual associations.

(2) **MEMBERSHIP IN THE FEDERAL HOME LOAN BANK.** Except as provided by s. S-L 4.01 (3), a proposed association shall not be granted a charter until it has made the necessary arrangements for membership in the federal home loan bank of Chicago.

*History:* Cr. Register, December, 1973, No. 216, eff. 1-1-74; am. (2), Register, December, 1983, No. 336, eff. 1-1-84.

**S-L 4.05 Independent office.** The proposed association must operate from an independent ground floor office.

History: Cr. Register, December, 1973, No. 216, eff. 1-1-74.

**S-L 4.06 Application.** Application forms for the organization of a new association shall contain, in addition to that information specified in ch. 215, Stats., such other information as the commissioner from time to time considers necessary. When the commissioner determines that additional information beyond that requested in the application form is necessary or desirable he may require the applicant to furnish same.

History: Cr. Register, December, 1973, No. 216, eff. 1-1-74.