



**PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION**

1     **AN ACT to repeal** 138.056 (1) (a) 1.; and **to amend** 20.912 (4), 34.01 (2) (a), 34.10,  
2           215.01 (7m) and 813.16 (7) of the statutes; **relating to:** eliminating obsolete  
3           references to certain federal agencies and to a mortgage rate index (suggested  
4           as remedial legislation by the Department of Financial Institutions).

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***Analysis by the Legislative Reference Bureau***

This bill eliminates obsolete statutory references to federal agencies formerly involved in matters relating to financial institution insolvency and to a mortgage rate index formerly computed by one such agency.

For further information, see the NOTES provided by the Law Revision Committee of the Joint Legislative Council.

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

LAW REVISION COMMITTEE PREFATORY NOTE: This bill is a remedial legislation proposal, requested by the Department of Financial Institutions and introduced by the Law Revision Committee under s. 13.83 (1) (c) 4. and 5., stats. After careful consideration of the various provisions of the bill, the Law Revision Committee has determined that this bill makes minor substantive changes in the statutes, and that these changes are desirable as a matter of public policy.

5     **SECTION 1.** 20.912 (4) of the statutes is amended to read:

1           20.912 (4) INSOLVENT DEPOSITORIES. When the bank, savings and loan  
2 association, savings bank, or credit union on which any check, share draft, or other  
3 draft is drawn by the secretary of administration before payment of such check, share  
4 draft, or other draft becomes insolvent or is taken over by the division of banking, the  
5 federal home loan bank board, the U.S. office of thrift supervision, the federal deposit  
6 insurance corporation, the resolution trust corporation, the office of credit unions,  
7 the administrator of federal credit unions, or the U.S. comptroller of the currency, the  
8 secretary of administration shall on the demand of the person in whose favor such  
9 check, share draft, or other draft was drawn and upon the return to the secretary of  
10 such check, share draft, or other draft issue a replacement for the same amount.

11           **SECTION 2.** 34.01 (2) (a) of the statutes is amended to read:

12           34.01 (2) (a) Any loss of public moneys, which have been deposited in a  
13 designated public depository in accordance with this chapter, resulting from the  
14 failure of any public depository to repay to any public depositor the full amount of  
15 its deposit because the office of credit unions, administrator of federal credit unions,  
16 U.S. comptroller of the currency, federal home loan bank board, U.S. office of thrift  
17 supervision, federal deposit insurance corporation, resolution trust corporation, or  
18 division of banking has taken possession of the public depository or because the  
19 public depository has, with the consent and approval of the office of credit unions,  
20 administrator of federal credit unions, U.S. office of thrift supervision, federal  
21 deposit insurance corporation, resolution trust corporation, or division of banking,  
22 adopted a stabilization and readjustment plan or has sold a part or all of its assets  
23 to another credit union, bank, savings bank, or savings and loan association which  
24 has agreed to pay a part or all of the deposit liability on a deferred payment basis or  
25 because the depository is prevented from paying out old deposits because of rules of

1 the office of credit unions, administrator of federal credit unions, U.S. comptroller  
2 of the currency, ~~federal home loan bank board, U.S. office of thrift supervision,~~  
3 federal deposit insurance corporation, ~~resolution trust corporation,~~ or division of  
4 banking.

5 **SECTION 3.** 34.10 of the statutes is amended to read:

6 **34.10 Reorganization and stabilization of financial institutions.**

7 Whenever the office of credit unions, administrator of federal credit unions, U.S.  
8 comptroller of the currency, ~~federal home loan bank board, U.S. office of thrift~~  
9 ~~supervision,~~ federal deposit insurance corporation, ~~resolution trust corporation,~~ or  
10 division of banking has taken charge of a credit union, bank, savings bank, or savings  
11 and loan association with a view of restoring its solvency, pursuant to law, or with  
12 a view of stabilizing and readjusting the structure of any national or state credit  
13 union, bank, savings bank, or savings and loan association located in this state, and  
14 has approved a reorganization plan or a stabilization and readjustment agreement  
15 entered into between the credit union, bank, savings bank, or savings and loan  
16 association and depositors and unsecured creditors, or when a credit union, bank,  
17 savings bank, or savings and loan association, with the approval of the office of credit  
18 unions, administrator of federal credit unions, U.S. comptroller of the currency,  
19 ~~federal home loan bank board, U.S. office of thrift supervision,~~ federal deposit  
20 insurance corporation, ~~resolution trust corporation,~~ or division of banking proposes  
21 to sell its assets to another credit union, bank, savings bank, or savings and loan  
22 association which agrees to assume a part or all of the deposit liability of such selling  
23 credit union, bank, savings bank, or savings and loan association and to pay the same  
24 on a deferred payment basis, the governing board of the public depositor may, on the  
25 approval of the division of banking, join in the execution of any reorganization plan,

1 or any stabilization and readjustment agreement, or any depositor's agreement  
2 relative to a proposed sale of assets if, in its judgment and that of the division of  
3 banking, the reorganization plan or stabilization and readjustment agreement or  
4 proposed sale of assets is in the best interest of all persons concerned. The joining  
5 in any reorganization plan, or any stabilization and readjustment agreement, or any  
6 proposed sale of assets which meets the approval of the division of banking does not  
7 waive any rights under this chapter.

NOTE: SECTIONS 1 to 3 delete obsolete references to federal agencies formerly  
involved in financial institution insolvency.

8 **SECTION 4.** 138.056 (1) (a) 1. of the statutes is repealed.

NOTE: This SECTION eliminates an obsolete reference to a federal index that was  
formerly calculated.

9 **SECTION 5.** 215.01 (7m) of the statutes is amended to read:

10 215.01 **(7m)** "Federal regulatory agency" means ~~the federal office of thrift~~  
11 ~~supervision or other a~~ federal agency or entity ~~which~~ that supervises and examines  
12 an association.

13 **SECTION 6.** 813.16 (7) of the statutes is amended to read:

14 813.16 **(7)** If the person seeking the appointment of a receiver under sub. (1)  
15 is a savings and loan association or savings bank supervised by the division of  
16 banking or a corporation supervised by the ~~home loan bank board, federal office of~~  
17 ~~thrift supervision, federal deposit insurance corporation, or resolution trust~~  
18 ~~corporation~~, the court, unless the opposing party objects, shall appoint an officer of  
19 such corporation as receiver to act without compensation and to give such bond as  
20 the court requires.

NOTE: SECTIONS 5 and 6 delete obsolete references to federal agencies formerly  
involved in financial institution insolvency.

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