CHAPTER 215
SAVINGS AND LOAN ASSOCIATIONS

SUBCHAPTER I
GENERAL PROVISIONS ON SAVINGS AND LOAN ASSOCIATIONS
215.01 Definitions. In this chapter:
(1) “Association” means a savings and loan association, a building and loan association or a savings association operating as a mutual or capital stock corporation.
(2) “Board” means the board of directors of an association.
(3) “Branch office” means a place of business, other than the home office, where the business of an association is conducted but does not include a limited office or extended office under s. 215.13 (36) or (47).
(4) “Bylaws” means the bylaws of a given association.
(5) “Capital stock” means the aggregate of shares of nonwithdrawable stock issued by a stock association.
(6) “Division” means the division of banking.
(6m) “Deposit insurance corporation” means the federal deposit insurance corporation or any other instrumentality of or corporation chartered by the United States that insures deposits of an association and is supported by the full faith and credit of the federal government.
(7) “Earnings” means the return paid on or credited to savings accounts, and may be designated as earnings, dividends or interest.
(7m) “Federal regulatory agency” means a federal agency or entity that supervises and examines an association.
(8) “Federal savings and loan association” means a savings and loan association organized pursuant to the Home Owners’ Loan Act of 1933, and any acts amendatory thereof and supplemental thereto.
(9) “Foreign association” means a savings and loan association organized under the laws of any other state or territory, but does not include a federal association.
(10) “Guaranteed mortgage loans” means loans wholly or partially guaranteed by the U.S. department of veterans affairs under the servicemen’s readjustment act of 1944, P.L. 78–346, and acts amendatory thereof and supplemental thereto.
(11) “Home office” means the principal place of business of an association.
(12) “Impairment of savings accounts” means that the assets of an association do not have an aggregate appraised value equal to the aggregate savings accounts and other liabilities of the association.
(13) “Insured loans” means loans wholly or partially insured by a state or federal agency.
(14) “Member” means a person owning a savings account in a mutual association or in a stock association if the stock association is a subsidiary of a mutual savings and loan holding company but does not include a person owning a savings account evidenced by a negotiable certificate of deposit which is not in registered form.
(15) “Mutual association” means a savings and loan association.
(16) “Organizational conversion” means a conversion of an association.
(17) “Penalty for dishonest acts; falsification of records” means the penalties prescribed for dishonest acts, including falsification of records, in ch. 946.
(18) “Persons owning a savings account” means a person owning a savings account.
(19) “Net income” means the gross income for a period less the aggregate of expenses, determined according to generally accepted accounting principles or an accounting standard or practice approved by the division.
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(20) “Net worth” means:

(a) In a stock association, the aggregate of capital stock, additional paid-in capital, retained earnings and other accounts designated as components of net worth by the division, determined according to generally accepted accounting principles or an accounting standard or practice approved by the division.

(b) In a mutual association, the aggregate of retained earnings and other accounts designated as components of net worth by the division, determined according to generally accepted accounting principles or an accounting standard or practice approved by the division.

(22) “Review board” means the banking institutions review board.

(23) “Saver” means a person who is an owner of a savings account in a given association.

(24) “Savings account” means the monetary interest of the owner thereof in the aggregate of savings accounts in the association and consists of the withdrawal value of such interest.

(24m) “Savings and loan holding company” includes a mutual savings and loan holding company or an equivalent mutual entity organized under the laws of another jurisdiction, a stock savings and loan holding company and includes any person, corporation, partnership, trust, joint stock company, association, state or federal savings and loan association, state or federal savings bank or state or national bank, which owns, holds or in any manner controls, directly or indirectly, 10 percent of the stock in a savings and loan association.

(25) “State chartered association” means a savings and loan association organized under this chapter.

(26) “Stock association” means a capital stock savings and loan association.

(27) “Stockholder” means a person owning one or more shares of capital stock in a capital stock association.

(27m) “Stock savings and loan holding company” means a savings and loan holding company organized as a capital stock corporation.

(27s) “Thrift institution” means an association, a federal savings and loan association or a federal or state savings bank.

(28) “Withdrawal value of a savings account” means the aggregate of deposits in a savings account and the total earnings credited to that account, less withdrawals.

Chapter 215 is inapplicable to federal savings and loan associations. Kasik v. First Federal Savings & Loan Association of Madison, 72 Wis. 2d 132, 240 N.W.2d 367 (1976).

215.02 Powers of the division. (4) IMMUNITY. Employees of the division shall not be subject to any civil liability or penalty, nor to any criminal prosecution, for any error in judgment or discretion made in good faith and upon reasonable grounds in any action taken or omitted by the employee in the employee’s official capacity.

(5) ACTIONS ANDvenue. Proceedings by any association to enjoin the division in the discharge of the division’s duties shall be had in the county where the savings and loan association is located, or in the state supreme court. All suits and proceedings arising out of this chapter, in which the state, or any of its officers or agents are parties, shall be conducted under the direction and supervision of the department of justice.

(6) DISCLOSURE OF INFORMATION. PENALTY. (a) All employees of the division and members of the review board shall keep confidential all the facts and information obtained in the course of examinations by the office and all examination and other confidential information obtained from a deposit insurance corporation, a federal regulatory agency or any state regulatory authority, including an authority of this state or another state, for financial institutions, mortgage bankers, insurance or securities, except:

1. So far as the public duty of such person requires the person to report upon or take special action regarding the affairs of any association.

2. When called as a witness in any criminal proceeding or trial in a court of justice.

3. For the purpose of comparing notes as to matters affecting an association with an examiner of a deposit insurance corporation or a federal regulatory agency as to any association whose savings accounts are insured by the deposit insurance corporation. 4. The division may furnish to the deposit insurance corporation, to a federal regulatory agency or to any official or examiner of a deposit insurance corporation or a federal regulatory agency a copy of any examination made by the division of any association or of any report made by an association and filed with the division.

5. The division may disclose to any regulatory authority of this state or another state for financial institutions, mortgage bankers, insurance or securities facts and information obtained in the course of examinations by the division, if the regulatory authority agrees to keep the facts and information confidential.

6. The division may furnish to a federal home loan bank a copy of any examination report made by, or other supervisory information created by, the division of any association if the federal home loan bank agrees to keep the examination report or other information confidential.

(b) If any person mentioned in par. (a) discloses the name of any debtor of any association or any information about the private account or transactions of such association, discloses any fact obtained in the course of any examination of any association, or discloses examination or other confidential information obtained from any state or federal regulatory authority, including an authority of this state or another state, for financial institutions, mortgage bankers, insurance or securities, except as provided in par. (a), he or she is guilty of a Class I felony and shall forfeit his or her office or position.

(7) ORDERS AND RULES. (a) In addition to performing the duties prescribed in this chapter, the division shall, with the approval of the review board, issue orders prescribing reasonable rules for conducting the business of associations, subject to the requirements of ch. 227.

(b) If the division, as a result of any examination or report made to the division, finds that any association is violating the provisions of the articles or bylaws of the association, or the laws of this state, or the laws of the United States, or any lawful rule or order promulgated by the division and review board or any order of the division, the division shall deliver a formal written order to the board of directors of the association in which the facts known to the division are set forth, demanding the discontinuance of the violation and, where applicable, order the association to institute corrective action thereon. The association affected by the order may within 10 days after the order has been delivered to the association request a review of the findings and order before the division, at which time any pertinent evidence may be presented. After review, the division, on the basis of the evidence presented and any matters of record in the division’s offices, shall continue, modify or set aside the order. The enforcement of any order issued under this paragraph shall be stayed pending review before the division, and during the period of any subsequent review under s. 215.04 (4).

(d) Any association which willfully violates par. (c) or any order issued thereunder shall, for each violation, forfeit not more than $250 per day for each day the violation continues. Assessment of any forfeiture shall become effective 20 days from the date of delivery of the order, 20 days from the date of review by the division, if requested, or 20 days from the date of the decision of the review board, if an appeal is taken pursuant to s. 215.04 (4).

(8) REVOCATION OF CERTIFICATE OF INCORPORATION OR LICENSE. Whenever it appears to the division that any association
or corporation which has received a certificate of incorporation or a license to do business in this state is conducting its business in violation of this chapter, the division shall report the facts to the department of justice which may bring an action to revoke the certificate of incorporation or license of such association or corporation.

(9) Approval of acts. Whenever any association requests approval of the division for any act, which by statute requires such approval, the division shall have 90 days in which to grant or deny such approval. If the division fails to act, approval shall be deemed to have been granted. In matters which require the holding of public hearings, the 90-day period shall not commence until the conclusion of the hearing and the date set by the division for receipt of briefs.

(10) Removal of officers, directors or employees. (a) 1. The division may remove an officer, director or employee of an association if either of the following applies:

a. The policies or practices of the officer, director or employee are prejudicial to the best interest of the association or its savers, endanger or will endanger the safety or solvency of the association, or impair the interests of the savers.

b. The officer, director or employee violates or permits the violation of this chapter, a rule promulgated under this chapter or an order of the division.

2. The division may issue an order removing an officer, director or employee under subd. 1. only after the officer, director or employee is afforded a hearing before the review board and the review board approves the order.

3. An order of removal takes effect on the date issued. A copy of the order shall be served upon the association and upon the officer, director, or employee in the manner provided by law for service of a summons in a court of record or by mailing a copy to the association and officer, director, or employee at their last-known, post-office addresses. Any removal under this subsection has the same effect as if made by the board of directors or the members or stockholders of the association. An officer, director, or employee removed from office or employment under this subsection may not be elected as an officer or director of, or be employed by, an association without the approval of the division and the review board. An order of removal under this subsection is a final determination of the review board under s. 215.04(5).

(b) The division may appoint any person to fill the vacancies caused by removal of officers or directors. Any person so appointed shall hold office until the next annual meeting of the members or stockholders.

(11) Annual report. (a) The division shall submit to the governor and the chief clerk of each house of the legislature for distribution to the legislature under s. 13.172(2) an annual report on the general conduct and condition of associations doing business in this state. The report shall be based upon the individual annual reports of associations filed with the division, and shall also include the information required in ss. 215.32 (7) (a), 215.56 (7) (a) and 215.76 (7) (a).

(b) The division shall designate the number of copies of the report to be made available for distribution. Each association is entitled to one copy.

(12) Disposition of obsolete records. The division may turn over obsolete departmental records to the secretary of administration, pursuant to s. 16.61.

(14) Fees for publications. (a) Whenever extra copies of statutory reprints of this chapter, the annual report of savings and loan associations or any other publication published by the division are requested, such extra copies shall be furnished upon payment of such fee as the division determines. All such fees shall be paid by the division into the general fund to the credit of the division.

(b) Upon request, extra copies may be distributed free to agencies or legislators of this state or any other state, county clerks and to the courts of this state, trade organizations and any other agencies of the United States.

(15) Hearings, findings and orders on complaints against associations. (a) 1. Within 10 days after any of the following petitions have been filed with the division, the division shall proceed to hear the same:

a. A petition stating that an association fails to pay its debts on demand.

b. A petition signed by not less than 25 savers in an association, stating that the association or the officers or directors of the association fail to honor requests for the withdrawal of savings accounts under this chapter, the officers or directors are conducting the business of the association in an unsafe or unauthorized manner, and by the acts or negligence of officers or directors the funds or assets of the association are or may become impaired.

2. Not less than 3 days before the date of hearing, a copy of the petition and a notice stating the date, time and place for the hearing shall be mailed or delivered to the association and the party petitioning.

(b) At the time and place so fixed, unless by stipulation some other time and place is fixed, the division shall hear all parties interested and shall cause the testimony given to be reduced to writing.

(c) The division shall within a reasonable time make findings as to all matters covered by the petition and make such order as the division deems just and reasonable.

(d) The findings and order of the division shall be final unless modified by the court.

(16) Annual fees and examination costs. (a) Annual fee. An association shall, before July 16, pay an annual fee as determined by the division and the review board, but not exceeding 12 cents per $1,000 of assets or fraction thereof, as of the close of the preceding calendar year.

(17) Fees on conversion or absorption. If a depository institution that is not a state-chartered association converts to a state-chartered association or is absorbed by a state-chartered association, the converted association or the absorbing association shall pay an annual fee based on the assets of the converted association or the absorbed association at the same rate as other associations for the prorated portion of the fiscal year in which the association is subject to this chapter.

(b) Penalty for failure to pay fee. An association failing to pay the annual fee to the division before July 16 of each year shall, if ordered by the division, pay the fee and pay interest at an annual rate of 12 percent on any portion of the fee that is past due.

(c) Regular examination costs. 1. Before July 1 of each year the division and the review board shall fix a per-hour charge for the services of each examiner used in the examination of an association, for the next 12 months. The per-hour charge shall be the same for all associations.

2. After the per-hour charge for each examiner has been fixed, each association shall be uniformly billed for examinations during the ensuing year on a fixed per-hour basis for each examiner engaged in an examination.

3. Charges assessed under this paragraph shall be paid within 30 days from the date on which the association receives notice of the assessment.

(d) Special examination costs. The division shall charge any special costs and expenses incurred for special work required because an association does not have proper or sufficient management or fails to keep its books, records and other matters in a standard and approved manner. An itemized statement of special charges must be submitted to the association.

(e) Penalty for failure to pay examination costs. An association shall pay the charges and assessments under pars. (c) and (d) when due and shall pay interest at an annual rate of 12 percent on any portion of the charges and assessments that are past due.
(17) **Testimonial powers.** (a) The division may, in relation to any matter within its powers, issue subpoenas and take testimony.

(b) Witnesses shall be entitled to the same fees as are allowed to witnesses in courts of record. Such fees shall be audited and paid by the state in the same manner as other expenses of the division are audited and paid. No witness subpoenaed at the instance of any party other than the division shall be entitled to payment of fees by the state, unless the division certifies that the testimony of the witness was material to the hearing or proceeding.

(c) No person may, without reasonable cause, fail to comply with a subpoena issued under this subsection, nor refuse to be sworn or to be examined, or to answer a proper question or produce a pertinent document, when ordered to do so by the official conducting the investigation or proceeding.

(18) **Authority to grant certain powers.** Unless the division is expressly restricted by statute from acting under this subsection with respect to a specific power, right or privilege, the division by rule may, with the approval of the review board, authorize associations to exercise any power under the notice, disclosure or procedural requirements governing federally chartered associations or to make any loan or investment or exercise any right, power or privilege of federally chartered associations permitted under a federal law, regulation or interpretation. Notice, disclosure and procedures prescribed by statute which may be modified by rule adopted under this subsection include, but are not limited to, those provided under s. 138.056. A rule adopted under this subsection may not affect s. 138.041 or chs. 421 to 428 or restrict powers specifically granted to associations under this chapter.


Cross-reference: See also DFI−SL, Wis. adm. code.


215.03 Supervision and control of associations.

(1) **Types of associations supervised.** All associations organized under this chapter or similar laws, or permitted by license to transact, in this state, a business similar to that authorized by this chapter, shall be under the supervision and control of the division.

(2) **Annual supervisory examinations.** (a) Except as provided in par. (b), at least once within every 18−month period, the division shall examine the cash, bills, collaterals, securities, accounts, condition of an association, and all its books, papers, securities and moneys, examine its officers and agents to ascertain whether the association is operating in accordance with law and the accounts, books and records of the association are in accordance with law and the association is conducting its business in the best interests of its members.

(b) In lieu of any examination required under par. (a), the division or any examiner that may have been made of any association within a reasonable period by the division shall be deemed to have examined such association for the purpose of the division to the division’s examiners shall have access to, and may compel the production of, all their books, papers, securities and moneys, administer oaths to and examine their officers and agents as to their affairs. In conducting examinations under this paragraph, the division may accept and rely on information collected by other agencies or independent third parties in determining whether an association has satisfied any requirement that is part of the examination. An employee of the division may examine an association in which the employee is interested as an officer or director.

(c) Refusal to submit to an examination. Any association refusing to submit to an examination so ordered or requested, shall be reported to the attorney general, who shall institute proceedings to revoke its certificate of incorporation for such refusal.

(d) Accounting and bookkeeping procedure. (a) Whenever it appears to the division that any association does not keep books and accounts in such manner as to enable the division to readily ascertain its true condition, the division may require the officers of such associations or any of them to open and keep such books or accounts as the division prescribes.

(b) Any association that fails to open books or keep books or accounts as prescribed by the division, shall, at the discretion of the division, forfeit $10 for each day it so fails. If the association fails to pay the forfeiture, the division may institute proceedings to recover such forfeitures.


Cross-reference: See also ss. DFI−SL 2.02, 2.07, 3.01, 4.01 4.02, 4.03, 5.02, and 13.02, Wis. adm. code.

215.04 Review board. (1) **Duties.** The review board shall do all of the following:

(a) Advise the division on matters related to this chapter.

(b) Review the acts, orders, and determinations of the division.

(c) Act on any matters pertaining to this chapter that are submitted to it by the division.

(d) Perform other review functions relating to this chapter.
(e) Conduct hearings and take testimony, and subpoena and summon witnesses at such hearings. The review board shall have the subpoena powers under s. 885.01 (4).

2 APPEARANCES. An interested party may appear at a proceeding of the review board and may participate in the examination of witnesses and present evidence.

3 WITNESS FEES. A person who causes a witness to be subpoenaed shall advance the fees and mileage expense of the witness. Witness fees shall be the same as fees under s. 814.67 (1) (b) and (c). The fees of witnesses who are called by the review board in the interests of the state shall be paid by the state upon presentation of proper vouchers approved by the chairperson of the review board and charged to the appropriation under s. 20.144 (1) (g).

4 REVIEW OF ACTS, ORDERS, OR DETERMINATIONS. Any interested party may appeal to the division the decision of the division, which relates to savings and loan associations, may, within 20 days after receipt or service of a copy of the act, order, or determination, file a written notice requesting the review board's review of the division's act, order, or determination. The review of the division's decision shall be solely to determine if the division acted within the scope of the division's authority and did not act in an arbitrary or capricious manner and to determine if the act, order, or determination of the division is supported by substantial evidence in view of the entire record as submitted. The review of applications for new charters, branch offices, or relocation of offices shall be based exclusively on the record and new evidence may not be taken by the review board. Requests for review under this subsection shall be considered and disposed of as speedily as possible.

5 REVIEW. A determination of the review board is subject to review under ch. 227. If an act, order, or determination of the division is reversed or modified by the review board, the division shall be considered to be a person aggrieved and directly affected by the division's act, order, or determination. The division's review of the division's decision shall be solely to determine if the division acted within the scope of the division's authority and did not act in an arbitrary or capricious manner and to determine if the division's act, order, or determination of the division is supported by substantial evidence in view of the entire record as submitted. The review of applications for new charters, branch offices, or relocation of offices shall be based exclusively on the record and new evidence may not be taken by the review board. Requests for review under this subsection shall be considered and disposed of as speedily as possible.

6 BOARD MEMBER NOT TO ACT. A member of the review board shall not act on the division's invocation of any act, order, or determination of the division, which relates to savings and loan associations, may, within 20 days after receipt or service of a copy of the act, order, or determination, file a written notice requesting the review board's review of the division's act, order, or determination. The review of the division's decision shall be solely to determine if the division acted within the scope of the division's authority and did not act in an arbitrary or capricious manner and to determine if the act, order, or determination of the division is supported by substantial evidence in view of the entire record as submitted. The review of applications for new charters, branch offices, or relocation of offices shall be based exclusively on the record and new evidence may not be taken by the review board. Requests for review under this subsection shall be considered and disposed of as speedily as possible.

215.11 Surety bond of association's officers, directors and employees. (1) WHO SHALL FURNISH BOND. TYPE AND FORM. Before entry upon the discharge of the person's duties, every person appointed or elected to any position requiring receipt, payment or custody of money or other personal property of an association or in its custody or control as collateral or otherwise shall give a bond in some surety company, licensed by this state, in such amount as the division prescribes. In lieu of individual bonds, the division may accept a schedule or blanket bond which covers all of the officers, directors and employees of the association, whose duties include the receipt, payment or custody of money or other personal property. Such bonds shall be in the form prescribed by the division.

(2) SURETY BONDS TO BE APPROVED AND FILED. No officer, director or employee who is required to give bond shall enter upon the discharge of the person's duties until the person's bond has been approved by the board. The minute book of the association shall contain a record of each bond executed and approved. Such bonds shall be filed with the division within 10 days after approval by the board.

(3) SURETY BOND COVERAGE. Such bond shall be sufficient to protect the association from loss by reason of acts of fraud or dishonesty, including forgery, theft, embezzlement, wrongful abstraction or misapplication on the part of the person, directly or through connivance with others. At any time the division may require an additional bond.

(4) PROVISIONS OF SURETY BONDS. Every such bond shall also include the following provisions:

(a) No termination of this bond shall be effective unless the surety gives in advance at least 10 days' written notice by registered mail to the division. If this bond is terminated at the request of the insured (employer) this provision shall apply nevertheless, it being the duty of the surety to give the required written notice to the division, such notice to be given promptly and within 10 days after the receipt of such request;

(b) The surety agrees to furnish the division a copy of all riders and endorsements executed subsequently to the effective date of this bond.

(5) DIVISION MAY CONSENT TO TERMINATION AND WAIVE NOTICE. The division may waive, as to the termination of any bond, the 10-day written notice in advance and may give written consent to the termination being made effective as of a date agreed upon by the surety and the association.

(6) TERMINATION OF SURETY BOND UPON DISCOVERY OF ANY DISHONEST ACT. Subsection (4) shall not in any way modify or affect or render invalid a provision therein that the bond shall terminate as to any person covered thereby, upon the discovery by the association of any dishonest act on the person's part.

(7) PENALTY FOR FAILURE TO FURNISH SURETY BOND. Any violation of subs. (1) and (2) shall subject the association to a fine of $10 per day for each consecutive day of such violation and it is the duty of the attorney general to recover any such penalties by action in behalf of the state.


Cross-reference: See also s. DFI-SL 3.01, Wis. adm. code.

215.12 Penalty for dishonest acts; falsification of records. Every officer, director, employee or agent of any association who steals, abstracts, or willfully misappropriates any property of the association, whether owned by it or held in trust, or who, without authority, issues or puts forth any certificate of savings accounts, assigns any note, bond, mortgage, judgment or decree, or who makes any false entry in any book, record, report or statement of the association with intent to injure or defraud the association or any person or corporation, or to deceive any officer or director of the association, or any other person, or any agent appointed to examine the affairs of such association, or any person who, with like intent, aids or abets any officer, director, employee or agent in the violation of this section, is guilty of a Class F felony.

History: 1977 c. 418 s. 924 (16) (c); 1997 a. 283; 2001 a. 109.

215.13 Powers of savings and loan associations. Savings and loan associations may:

(1) SAVINGS ACCOUNTS. Accept payments on savings accounts in accordance with s. 215.14.

(2) EVIDENCE OF SAVINGS ACCOUNT OWNERSHIP. Issue evidence of ownership to savers, in accordance with s. 215.15.

(3) DECLARATION AND DISTRIBUTION OF EARNINGS ON SAVINGS ACCOUNTS. Declare and distribute earnings to savers, in accordance with s. 215.16.

(4) WITHDRAWALS OF SAVINGS ACCOUNTS. Pay withdrawal requests of savings accounts, in part or in full, in accordance with s. 215.17.

(5) CLOSE SAVINGS ACCOUNTS. Close savings accounts, in part or in full, in accordance with s. 215.18.

(6) LOANS ON SAVINGS ACCOUNTS. Make loans to savers on the security of savings accounts owned by them, in accordance with s. 215.19.

(7) PROPERTY IMPROVEMENT LOANS. Make property improvement loans in accordance with s. 215.20.

(8) INSURED OR GUARANTEED LOANS. Make secured or unsecured loans, which are partially insured or guaranteed in any manner by the United States or any instrumentality thereof or for which there is a commitment to so insure or guarantee, pursuant to ch. 219.

(9) MORTGAGE LOANS. Make mortgage loans in accordance with s. 215.21.
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(10) ADDITIONAL COLLATERAL TO MORTGAGE LOANS. Accept additional collateral to mortgage loans in accordance with s. 215.21 (10).

(11) PURCHASING MORTGAGE LOANS. Purchase mortgage loans in accordance with s. 215.21 (13).

(12) SERVICING OF PURCHASED MORTGAGE LOANS. Negotiate servicing agreements to enable vendors of mortgage loans, purchased by the association, to collect payments for transmission to the association, in accordance with s. 215.21 (13).

(13) SELLING MORTGAGE LOANS. Sell mortgage loans in accordance with s. 215.21 (14).

(14) SERVICING OF MORTGAGE LOANS SOLD. Negotiate servicing agreements to enable the association to collect payments for transmission to the purchasers of mortgage loans in accordance with s. 215.21 (14).

(15) PURCHASING PARTICIPATING INTERESTS IN MORTGAGE LOANS. Purchase participating interests in mortgage loans from other lenders and negotiate servicing agreements with said lenders in accordance with s. 215.21 (15).

(16) SELLING PARTICIPATING INTERESTS IN MORTGAGE LOANS. Sell participating interests in mortgage loans to other lenders, and negotiate servicing agreements with said lenders in accordance with s. 215.21 (15).

(17) ACQUIRING REAL ESTATE. Acquire real estate to enforce protection of its securities in accordance with s. 215.22 (1).

(18) SELLING OF ACQUIRED REAL ESTATE. Sell acquired real estate in accordance with s. 215.22 (2).

(19) ACQUIRING REAL ESTATE SUBJECT TO SALES CONTRACTS. Acquire real estate, subject to a sales contract, from any instrumentality of the United States.

(20) PURCHASING PROPERTY IMPROVEMENT LOANS. Purchase secured or unsecured property improvement loans from any person, whether or not such loans are partially insured or guaranteed in any manner by the United States or any instrumentality thereof, provided such loans could have been made by the association in the first instance.

(21) ACQUIRING ASSETS OF OTHER ASSOCIATIONS. Acquire all or any part of the assets of any other association with prior approval of the division.

(22) SELLING OF ASSETS TO OTHER ASSOCIATIONS. Sell all or any part of its assets to any other association with prior approval of the division.

(23) ASSOCIATION OFFICE BUILDING. Acquire real estate for use as the association’s office building in accordance with s. 215.23.

(24) MEMBERSHIP IN ANY FEDERAL FINANCE OR CREDIT CORPORATION. Become a member in any federal finance or credit corporation organized by an act of congress for aiding associations to utilize their resources and credit. Membership in such federal finance or credit corporation to include:

(a) Purchasing stock therein;

(b) Purchasing notes and debentures thereof;

(c) Borrowing money therefrom, not exceeding that allowed under sub. (28).

(25) MEMBERSHIP IN A NATIONAL MORTGAGE COMPANY. Become a member in, and purchase stock or securities of a national mortgage company, under the national housing act approved June 27, 1934, and acts amendatory thereof and supplemental thereto.

(26) INVESTMENT SECURITIES. Invest in the following types of securities, subject to such limitations as may be fixed by the division:

(a) United States government securities.

(b) Savings accounts of savings and loan associations doing business in the state.

(c) Savings accounts of savings and loan associations located outside the state, if those savings accounts are insured by the deposit insurance corporation.

(d) Bonds, notes or other evidences of indebtedness which are general obligations supported by the full faith and credit of any state in the United States or any city, town, village, county, technical college district or school district in any state in the United States if the obligations have been assigned one of the 4 highest grades by a nationally recognized investment rating service. Before purchasing any obligation under this paragraph other than an obligation issued in this state, the association shall ascertain whether suitable obligations issued in this state are available in the quantity sought by the association at a competitive rate of return at the time the investment is intended to be made. If such obligations are available, the association shall give preference to obligations issued in this state. Notwithstanding any other requirement of this paragraph, an association may invest not more than one percent of its assets in the obligations of any city, town, village, county, technical college district or school district in this state which are not assigned one of the 4 highest grades by a nationally recognized investment rating service, if the obligations are issued by a city, town, village, county, technical college district or school district in which the association maintains one or more offices.

(e) Certificates of deposit of a state or national bank.

(f) Shares of stock, whether purchased or otherwise acquired, in a corporation acquiring, placing and operating remote service units under sub. (46).

(f) Such other types of securities which may be approved and authorized by the division.

Cross-reference: See also ch. DFT−SL−15, Wis. adm. code.

(27) LEND MONEY TO OTHER ASSOCIATIONS. Lend money to other savings and loan associations incorporated and operating under this chapter, subject to approval of the division.

(28) BORROWING MONEY. Borrow money and issue its obligations for the borrowed money, including but not limited to obligations, bonds, notes or other debt securities. The aggregate amount borrowed under this subsection may not exceed 50 percent of the association’s total assets, except with the prior written approval of the division. An obligation, bond, note or other debt security may include a written provision subordinating the debt to claims of other creditors or of savers.

(29) ASSIGN COLLATERAL FOR BORROWED MONEY. Assign as collateral for borrowed money its mortgages and mortgage notes or any of the securities enumerated in sub. (26).

(30) INTEREST AND OTHER CHARGES. Assess and collect interest, premiums, fines, fees and other charges. No savings and loan association may demand or receive for loans or discounts a rate of interest exceeding that allowed by law.

(31) INSURANCE OF SAVINGS ACCOUNTS. Insure the savings accounts of savers with the deposit insurance corporation or with another instrumentality approved by the division.

(32) ACT AS AGENT FOR THE UNITED STATES. Whenever designated by the secretary of the treasury of the U.S. or any other instrumentality of the U.S., and authorized by a resolution of the board of directors, act as agent for them, and perform all duties as agent that may be required.

(33) STORE MICROFILM RECORDS OF OTHER ASSOCIATIONS. Act as custodian or keeper of microfilm records of other savings and loan associations for a fee.

(34) PLACE MICROFILM RECORDS FOR STORAGE AT OTHER ASSOCIATIONS. Place microfilm records of the association for storage and safekeeping with another association for a fee.

(35) LIMITED OFFICE. With the prior written approval of the division, establish a limited office providing lending or other services. Deposits to savings accounts may not be accepted at a limited office except as permitted under sub. (46).

(37) OMNIBUS POWERS. Exercise any powers reasonably related or incident to the purposes of the association.

(38) EDUCATIONAL LOANS. Make loans to defray the expense of attending any college or university.
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39. Branches. Subject to the approval of the division, any savings and loan association may establish and maintain one or more branch offices within the normal lending area of the home office, as defined in s. 215.21 (2), in this state or in any one of the regional states, as defined in s. 215.36 (1) (f). In the division’s approval, the division may limit the powers of the branch. Savings and loan associations may promote thrift in their local schools by accepting payments in the school upon savings accounts of the teachers and pupils.

40. Location of branches. Whenever an association is absorbed or a branch office is acquired under s. 215.36, 215.53 or 215.73, maintain and operate a branch office at the location of the absorbed association or of the acquired branch office, if the division finds that the continued operation of a branch office at the location of the absorbed association or of the acquired branch office would be in the public interest. This subsection does not permit continued operation of an office of an absorbed association which received its certificate of incorporation less than 5 years prior to its absorption.

41. Seller of checks. To engage as an authorized agent in the business and functions provided for in ch. 217 for their members upon receiving a certificate of authority from the division. Such applicants shall be under the jurisdiction and supervision of the division and meet the same requirements as other applicants under ch. 217. A license or investigation fee shall be charged for savings and loan association applicants. The division has the authority to enforce ch. 217 as it applies to savings and loan associations. The division shall determine the records that shall be maintained and shall require the segregation of such funds as is necessary for operations permitted savings and loan associations under this subsection and ch. 217.

42. Invest in real property. Invest in, or in interests in, real property, subject to such rules as the division shall issue.

43. Act as trustee. Act as trustee of trusts created or organized in the United States under the self-employed individuals tax retirement act of 1962, and amendments thereto, and which qualify for specific tax treatment under section 401 (d) or 408 (a) of the internal revenue code, if the funds of such trust are invested in savings accounts or deposits in such association or in obligations or securities issued by such association. Individual accounts and records shall be kept by the association for each participant and shall show in proper detail all transactions therein.

44. Other loans and investments. Make loans and investments in accordance with s. 215.205.

45. Remote service units. (a) 1. Directly or indirectly, acquire, place and operate, or participate in the acquisition, placement and operation of, at locations other than its home or branch offices, remote service units, in accordance with rules established by the division. Remote service units established in accordance with such rules are not subject to sub. (36), (39), (40) or (47) or s. 215.03 (8). The rules of the division shall provide that any such remote service unit shall be available for use, on a nondiscriminatory basis, by any state or federal savings and loan association which has its principal place of business in this state, or any other savings and loan association obtaining the consent of a state or federal savings and loan association which has its principal place of business in this state and is using the terminal and by all customers designated by a savings and loan association using the unit. This paragraph does not authorize a savings and loan association which has its principal place of business outside this state to conduct business as a savings and loan association in this state. The remote service units also shall be available for use, on a nondiscriminatory basis, by any credit union, state or national bank or state or federal savings bank, whose home office is located in this state, if the credit union, bank or savings bank requests to share its use, subject to the joint rules established under s. 221.0303 (2). The division by order may authorize the installation and operation of a remote service unit in a mobile facility, after notice and hearing upon the proposed service stops of the mobile facility.

2. In this paragraph “remote service unit” means a terminal or other facility or installation, attended or unattended, which is not located at the principal place of business or at a branch or extended facility of a savings and loan association and through which customers and savings and loan associations may engage, by means of either the direct transmission of electronic impulses to and from a savings and loan association or the recording of electronic impulses or other indicia of a transaction for delayed transmission to a savings and loan association, in transactions which are incidental to the conduct of the business of a savings and loan association and which are otherwise permitted by law. “Remote service unit” also includes all equipment, regardless of location, which is interconnected with a remote service unit and which is necessary to transmit, route and process electronic impulses in order to enable the remote service unit to perform any function for which it is designed.

3. If any person primarily engaged in the retail sale of goods or services owns or operates a remote service unit on such person’s premises and allows access to the unit by any financial institution, group of financial institutions or their customers, nothing in this paragraph or in rules established by the division shall, or shall be construed or interpreted to, require such person to accept any connection to or use of the unit on its premises for any other purpose or for function or to accept any connection to the unit on its premises by any other financial institution.

4. If a person primarily engaged in the retail sale of goods or services owns or operates a remote service unit on such person’s premises and allows access to the unit by any financial institution, group of financial institutions or their customers for any purpose or function, no laws governing such institutions or rules established by the division shall apply to such person other than those laws or rules directly related to the particular function performed by the unit on such person’s premises for a financial institution.

5. Information transmitted from a remote service unit, either identified as to particular transactions or aggregate information, shall only be used for purposes of effecting the financial transactions for which such information was received, for any other purpose lawfully authorized by contract, or for any other purpose permitted by statute and rules pertaining to the dissemination and disclosure of such information.

46. Trust accounts. Maintain real estate broker trust accounts under s. 452.13, attorney trust accounts under s. 757.293 and collection agency trust accounts under s. 218.04 (9g).

47. Contract for trust services. Contract for the provision of trust services to its members with a trust company or other organization with trust powers authorized to do business in this state. For this purpose, the trust company or other organization with trust powers may serve association members at association facilities on a full-time or part-time basis.

48. Demand deposit accounts. Accept and maintain demand deposit accounts.

49. Contract for financial services. Contract with a bank that is owned by a bank holding company which also owns the contracting association, to provide products or services under s.


215.14 Savings accounts. (1) Aggregate of savings accounts. The aggregate of savings accounts of an association is unlimited, and consists of the total deposits in savings accounts and the total earnings credited to the accounts, less withdrawals. (2) Ownership of accounts. Any person may become the owner of a savings account in an association if the person is accepted by the association or if the person acquires ownership by a transfer authorized under s. 215.15 (3). (3) Deposits in savings accounts. Deposits may be made in savings accounts in any amount at any time, unless otherwise determined by the board. (4) Maximum ownership of savings accounts by one person. The aggregate amount of the withdrawal value of savings accounts owned by one person in any association is unlimited, unless the board determines otherwise. (5) Nonassessability of savings accounts. All savings accounts shall be nonassessable. No person may, in the person’s capacity as a saver, be responsible for any losses incurred by the association beyond the loss of the withdrawal value of the person’s savings accounts. (6) Savings accounts eligible investment for trust funds. A personal representative, guardian, trustee, or other fiduciary authorized to invest trust funds, may acquire, own, or hold savings accounts in an association, within the limits of standards contained in s. 881.01, and shall have the same rights and be subject to the same obligations and limitations as other savings account owners, except the right to be an officer or director. Savings accounts owned or held by a personal representative, guardian, trustee, or other fiduciary shall specifically name the trust represented. (7) Voting rights of joint savings accounts. When a savings account in a mutual association is a multiple-party account under subch. 1 of ch. 705, the right to vote such account shall be no greater than if the account were held by an individual. (8) Rights of fiduciaries. (a) In a mutual association a fiduciary shall have all rights and privileges of a saver except the right to hold office. (b) In a capital stock association a fiduciary shall have all rights and privileges as other savers in the association. (9) Savings accounts of deceased persons. The savings account of a decedent may be held and controlled by the personal representative or trustee of the estate, or after 60 days after death, the legal representative may be paid the withdrawal value of the savings account. If the savings account is pledged to the association for a loan, the loan shall first be fully repaid. History: 1971 c. 41 s. 12; 1971 c. 229; 1971 c. 307 s. 118; 1973 c. 291; 1975 c. 359, 421; 1983 a. 167 s. 14; 1989 a. 331; 2001 a. 102; 2003 a. 387.

215.141 Financially related services tie-ins. In any transaction conducted by an association, a savings and loan holding company, or a subsidiary of either with a customer who is also a customer of any other subsidiary of any of them, the customer shall be given a notice in 12–point boldface type in substantially the following form:

NOTICE OF RELATIONSHIP

This company, ... (insert name and address of association, savings and loan holding company, or subsidiary), is related to ... (insert name and address of association, savings and loan holding company, or subsidiary) of which you are also a customer. You may not be compelled to buy any product or service from either of the above companies or any other related company in order to participate in this transaction. If you feel that you have been compelled to buy any product or service from either of the above companies or any other related company in order to participate in this transaction, you should contact the management of either of the above companies at either of the above addresses or the division of banking at ... (insert address).

History: 1985 a. 325; 1995 a. 27; 1999 a. 9; 2003 a. 33.

2021–22 Wisconsin Statutes updated through 2023 Wis. Act 19 and through all Supreme Court and Controlled Substances Board Orders filed before and in effect on August 25, 2023. Published and certified under s. 35.18. Changes effective after August 25, 2023, are designated by NOTES. (Published 8–25–23)
215.15 Evidence of ownership of savings accounts. (1) SAVINGS ACCOUNT FORMS. The association shall issue to each saver a written summary of the terms of the saver’s account or, if permitted by the division, a receipt. The division may promulgate rules prescribing the form of or otherwise regulating issuance and use of evidences of savings accounts, summaries of savings accounts and receipts.

(2) VALIDATION OF PASSBOOKS AND CERTIFICATES. The board of directors may designate one or more persons to sign passbooks, certificates or other evidence of savings accounts. Facsimile signatures of designated signatures may be used when authorized by the board of directors.

(3) GENERAL. (a) The board of directors may, subject to the rules of the division and par. (b), provide for the following:

1. The transfer of savings accounts by any procedure permitted by law or limit or prohibit transfer of savings accounts.

2. The replacement of lost or destroyed evidences of savings accounts.

(b) Unless the division approves, a mutual association may not issue negotiable certificates of deposit which are not in registered form in an aggregate amount exceeding 20 percent of the total amount in savings accounts.

(c) The division may promulgate rules governing the transfer of savings accounts or the replacement of lost or destroyed evidences of savings accounts.

History: 1975 c. 359; 1983 a. 167; 1995 a. 27.

215.16 Savings account earnings. Subject to the rules of the division, the board of directors of an association may:

(1) Declare or contractually fix one or more rates of earnings on savings accounts.

(2) Prescribe the methods for computing, and the time and manner of crediting or paying, earnings on savings accounts.


215.17 Withdrawal of savings accounts. (1) WHEN PERMITTED. The association may pay, on request, withdrawals on its savings accounts to the owners of such savings accounts. The association may require advance notice of withdrawal.

(2) WITHDRAWAL REQUESTS OF SAVERS. In a mutual association a saver who has made a withdrawal request does not become a creditor of the association by reason of the withdrawal request.

History: 1975 c. 359 ss. 25 to 27, 51; 1975 c. 421; 1979 c. 175 s. 53; 1983 a. 167.

215.18 Closing of savings accounts. (1) Except as provided in sub. (3), an association may close a savings account by delivering notice of the closing to the saver or mailing notice to the last-known address of the saver.

(2) On the date the notice required under sub. (1) is delivered or mailed, all rights of the saver in the savings account terminate except the right to receive the withdrawal value of the account calculated as of the date of delivery or mailing of the notice. A saver remains a member until the withdrawal value of the savings account is paid.

(3) An association may agree in writing not to close a savings account. The division may promulgate rules restricting the authority of an association to close savings accounts.

History: 1975 c. 359; 1983 a. 167; 1995 a. 27.

215.19 Loans on savings accounts. (1) An association may make loans on the security of its savings accounts.

(2) In no event shall a savings account loan exceed the withdrawal value of the savings account pledged as security therefor.

(3) Each savings account loan shall be evidenced by a savings account loan note and a pledge of the savings account books or savings account certificates securing said loan.

(5) Any corporation, owning savings accounts in an association, and whose officers, directors or employees are officers, directors or employees of said association, may obtain a savings account loan on the security of said savings accounts.


215.20 Property improvement loans. (1) For the purpose of this section, a property improvement loan means a loan, the proceeds of which are used to repair, modernize, alter, furnish, equip or improve the real estate or the structure upon it, or both. As used in this section, loans made for the purpose of furnishing or equipping a structure shall be made to the owners thereof only.

(2) An association may make, buy, sell and hold property improvement loans to such persons, for such purposes, in such individual and aggregate amounts, and upon such terms as the division by rule prescribes.

History: 1975 c. 359; 1977 c. 140; 1995 a. 27.

215.205 Other loans and investments. Subject to such rules as the division prescribes, an association may make, buy, sell and hold the following loans and investments:

(1) Loans or obligations, or interests therein, for the purpose of mobile home or manufactured home financing.

(2) Housing project loans or interests therein, having the benefit of any guaranty under sec. 221 of the foreign assistance act of 1961, as now or hereafter in effect, or loans or interests therein, having the benefit of any guaranty under sec. 224 of such act, or any commitment or agreement with respect to such loans or interests therein, made pursuant to either of such sections.

(3) Loans or obligations or interests therein, which the association has the benefit of any guaranty under Title IV of the housing and urban development act of 1968, as now or hereafter in effect, or of a commitment or agreement therefor.

(4) Loans or interests in loans to financial institutions with respect to which the United States, or any agency or instrumental-ity thereof, has any function of examination or supervision, or to any broker or dealer registered with the securities and exchange commission, secured by loans, obligations or investments in which it has any statutory authority to invest directly, subject to such rules as the division may issue.

(5) notwithstanding any other statutory provision relating to investments in or ownership of real property, an association may invest in, or in interests in, real property located within urban renewal areas as defined in the national housing act of 1949 as now or hereafter in effect, and in obligations secured by first liens on real property so located.

(6) Loans to building contractors for the purpose of the development and construction of residential property.

History: 1975 c. 11; 1995 a. 27; 2007 a. 11.

215.21 Mortgage loans. (1) BASIC SECURITY REQUIRED. Subject to such additional limitations as the division may prescribe, associations may make loans on the security of any of the following:

(a) A mortgage on real estate owned by the borrower in fee simple if the aggregate value of the mortgage and any current balance of any mortgage, lien and encumbrances does not exceed the appraised value of the real estate.

(b) Leasehold interests extending or renewable automatically for a period of at least 15 years beyond the maturity of the debt.

(c) An assignment or transfer of stock certificates or other evidence of the borrower’s ownership interest in a corporation formed for the cooperative ownership of real estate. Sections 846.10 and 846.101, as they apply to a foreclosure of a mortgage involving a one−family residence, apply to a proceeding to enforce the lender’s rights in security given for a loan under this paragraph. The division shall promulgate joint rules with the office of credit unions that establish procedures for enforcing a lender’s rights in security given for a loan under this paragraph.

(2) LENDING AREA. Except for loans made under s. 45.57, 2017 stats., the lending area of an association is limited to that area within a radius of 100 miles of the association’s office.

(3) MORTGAGE AND MORTGAGE NOTE. Every mortgage loan shall be secured by a mortgage upon the real estate security and evidenced by a mortgage note.
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(4) PRIORITY OF ASSOCIATION’S MORTGAGES. (a) All mortgages described in this section shall have priority over all liens, except tax and special assessment liens and liens under ss. 292.31 (8) (i) and 292.81, upon the mortgaged premises and the buildings and improvements thereon, which shall be filed subsequent to the recording of such mortgage.

(b) Any additional advance made to a borrower, where the mortgage and mortgage note provides for such additional advances, shall not exceed an amount specified in said mortgage.

(5) MAXIMUM AMOUNT OF LOANS TO ONE BORROWER. (a) The aggregate of loans that an association may make to any one borrower is subject to such limits as determined and prescribed by the division and review board, but not exceeding 10 percent of the aggregate savings accounts or the net worth of the association, whichever is less.

(b) The aggregate of loans to any one borrower shall consist of all loans made directly to the borrower and to any corporation of which the borrower is an officer, director or shareholder.

(6) MAXIMUM PERIODS OF LOAN AMORTIZATION. (a) Direct reduction mortgage loans. The total monthly contractual payment on a direct reduction mortgage shall appear in the mortgage note. The division shall by regulation establish the maximum terms for the various types of direct reduction mortgages. The interest charges on loans of this type may be adjusted monthly or semiannually in accordance with the terms of the mortgage note.

(b) Straight mortgage loans. An association may make mortgage loans without the amortization of principal.

(7) TYPES OF REAL ESTATE SECURITY. An association may make loans on the following types of real estate security as defined by the division:

(a) Home type properties;

(b) Combination home–and–business type properties;

(c) Commercial type properties, the aggregate of which shall be fixed by the division;

(d) Vacant lands, subject to the limitations under sub. (16) (a).

(8) INSURANCE COVERAGE OF MORTGAGED PREMISES. (a) The borrower shall cause the buildings and improvements on any property on which the association has a mortgage to be insured and kept insured, unless the association maintains insurance under par. (b), up to the full insurable value during the life of the loan, for the benefit of the association, against loss by fire, windstorm and such other hazards as the association requires. The selection of the insurance agent or insurer through which the insurance covering any such property is to be negotiated shall be made in accordance with ss. 134.10 and 628.34 (5).

(b) The insurance policies or evidence or certificate of the existence of such insurance policies shall remain on deposit with the association until the loan is paid. An association which carries adequate insurance, issued by a company licensed to write insurance protecting the association from losses under par. (a) at no cost to the borrower if the borrower fails to maintain 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 association an acceptable policy or evidence of existence or certificate of the existence of such an insurance policy, with a mortgage clause protecting the interest of the association.

(c) War damage insurance shall not be required unless the directors of the association, by resolution, demand that same be provided by the borrower.

(10) ADDITIONAL COLLATERAL. (a) Any association may accept, as additional collateral to its mortgage note, any other real estate, personal property or a policy of insurance on the life of any person who is a party to or responsible for the payment of the mortgage note. The association may be named beneficiary as well as absolute assignee of such life insurance and, to protect its interests therein, advance premiums thereon.

(b) Upon written request of any borrower, any association may accept as additional collateral a policy of health and accident insurance on the life of any person responsible for the repayment of the mortgage loan, and may, in the event of the borrower’s inability to pay premiums thereon, advance said premiums. Any premiums so advanced shall be added to the unpaid balance of the mortgage loan and become a part of the mortgage indebtedness.

(12) INSURED OR GUARANTEED LOANS. An association may make mortgage loans insured or guaranteed wholly or in part under the national housing act approved June 27, 1934, or the servicemen’s readjustment act of 1944, (PL. 78–346). All mortgage loans made under this section shall be in accordance with federal law and regulations and ch. 219.

(13) PURCHASING OF LOANS. Except as otherwise prescribed in s. 215.13 (21), an association may purchase mortgage loans from any person, provided that the association could have made such loans in the first instance. The association may enter into an agreement with the seller of such mortgages to service the loans.

(14) SELLING LOANS. Except as otherwise prescribed in s. 215.13 (22) an association may sell mortgage loans, without recourse, to any person, and service such loans for the purchaser in accordance with a duly executed servicing agreement. The aggregate of loans sold in any calendar year shall not exceed such limits as may be set by the division and review board.

(15) PARTICIPATION LOANS. Any association may participate with other lenders in mortgage loans of any type that such association may otherwise make, subject to such rules as the division issues, including the interest in participation loans to be retained by the originator. The normal lending area, prescribed in sub. (2), shall not apply to any association purchasing a participating interest in such loan, provided the real estate securing such loan is located within the United States.

(16) UNACCEPTABLE TYPES OF SECURITY. (a) An association may make a mortgage loan on the security of vacant land, if the loan is any of the following:

1. A loan made to develop or to acquire and develop land for primarily residential purposes may be secured by the land to be developed.

2. A loan made to a builder to construct residential property may be secured by a lot suitable for the construction of a home.

3. A loan made to acquire a building site for future construction of a personal residence may be secured by the building site.

4. A loan made to acquire land for use in connection with a farm operated for profit may be secured by that land.

5. A loan that the association reasonably believes will be used to develop or to acquire and develop land for commercial or industrial use within 5 years after the acquisition of the land.

(b) An association may not make a mortgage loan on the security of any real estate in which an officer, director or employee of the association or his or her spouse has an interest. This paragraph does not apply to a home–type property containing 4 dwelling units or less personally used by the borrower as a place of residence.

(c) Nothing in this section shall prevent any property from being pledged as additional collateral for a loan as long as the value of the unacceptable security is not used to determine the appraised value of the real estate security upon which the loan is based.

(d) An association may not make a mortgage loan on the security of or to finance the purchase of vacant land that is acquired or held for speculation.

(17) PROHIBITED LOANS. (a) No association may directly or indirectly make a mortgage loan to an officer, director or employee of the association.

(b) Without the prior written approval of the division, no association may directly or indirectly make a mortgage loan to:

1. A business venture employing an officer, director or employee of the association.

2. Such other persons as the division may by rule designate to avoid conflicts between the best interests of the association and the interests of its officers, directors or employees.
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(c) In this subsection “business venture” means any partnership, joint venture, corporation or similar entity.

(d) This subsection does not apply to loans made:

1. On the security of home-type property containing 4 dwelling units or less and used by the borrower as his or her residence; or

2. To a nonprofit, religious, charitable or fraternal organization or a corporation in which the association has been authorized to invest by the division.

(18) BASIS OF APPRAISALS. All appraisals of real estate securing mortgage loans shall be based on the reasonable market value of the real estate.

(21) PENALTY FOR GIVING OR ACCEPTING MONEY FOR LOANS. Every officer, director, employee or agent of any association, or any appraiser making appraisals for any association, who accepts or receives, or offers or agrees to accept or receive anything of value in consideration of its loaning any money to any person; or any person who offers, gives, presents or agrees to give or present anything of value to any officer, director, employee or agent of any association or to any appraiser making appraisals for any association in consideration of its loaning money to the person, is guilty of a Class I felony. Nothing in this subsection prohibits an association from employing an officer, employee or agent to solicit mortgage loans and to pay the officer, employee or agent on a fee basis.

(23) FALSE STATEMENT IN LOAN APPLICATIONS: PENALTY. Any person who makes or causes to be made any false written statement to any state or federal savings and loan association for the purpose of obtaining a loan for himself or herself or for another, with intent to mislead, or which may mislead the association, may be imprisoned for not more than 6 months or fined not to exceed $1,000.

(24) BOARD MAY WAIVE PRINCIPAL PAYMENT ON LOANS. Any association, in the discretion of its board, may accept only payments of interest on the loan and taxes on the mortgaged premises, and may waive the principal payments for periods not exceeding one year at a time.

(25) LOANS DUE WHEN. Whenever a borrower is in arrears in any contractual payments, whether principal, interest, taxes or insurance, the board of directors may call the borrower’s whole loan due and payable as provided in the mortgage note.

(28) LOANS. Subject to the rules of the division, an association may make or invest its funds in loans, originated and serviced by or through an institution, the accounts or deposits of which are insured by the deposit insurance corporation or by or through an approved federal housing administration mortgagee, in an aggregate amount not exceeding 10 percent of such association’s assets on the security of real estate or leasehold interests.


Cross-reference: See ss. 138.051 and 138.052 for residential mortgage loans, s. 138.053 for interest adjustment clauses, and ss. 138.055 and 138.056 for variable interest rate clauses.

Cross-reference: See s. 706.11 (1) for provision as to priority of mortgages to federal savings and loan associations and the department of veterans affairs.

Cross-reference: See also ch. DFI-SL 13 and s. DFI-SL 3.01, Wis. adm. code.

The limitation on loans to one borrower under sub. (5) is intended to protect the assets of the lender. A violation does not create a cause of action in favor of anyone else who claims the excess loan damaged him or her. McNeil v. Jacobson, 55 Wis. 2d 254, 198 N.W.2d 611.

When money is advanced in reliance upon a justifiable expectation that the lender will have security equivalent to that in the existing mortgage that its advances discharged, equity will treat the transaction as tantamount to an assignment of the original security; provided no innocent 3rd party will suffer. Rock River Lumber Corp. v. Universal Mortgage Corp. 82 Wis. 2d 235, 262 N.W.2d 114 (1978).

215.25 Annual audit requirement. (1) Except as provided in sub. (2), the board of directors of an association shall hire a certified public accountant licensed or certified under ch. 442 or other qualified person to conduct a comprehensive annual audit of the records, accounts, and affairs of the association.

(2) The board of directors of an association may appoint an auditing committee of one or more capable persons to annually audit the records, accounts, and cash of the association and to verify customer accounts. Verification procedures shall be conducted according to the association’s auditing program or the rules of the division.

(3) Audit reports under this section shall be submitted to the association’s board of directors and retained as records of the association.

History: 1973 c. 205; 1983 a. 167; 1995 a. 27.

Cross-reference: See also s. DFI-SL 3.01, Wis. adm. code.

215.26 Miscellaneous provisions. (2) RETALIATORY TAXES AND RESTRICTIONS. When the laws of any other state or territory impose any taxes, fines, penalties, licenses, fees, deposits, money, securities or other obligations or prohibitions on associations of this state doing business in such other state or territory or upon their agents therein, so long as such laws continue in force, the same obligations and prohibitions shall be imposed upon all associations of such other state or territory and their agents in this state.

(4) REPRODUCTION AND DESTRUCTION OF RECORDS. (a) Any association may cause any or all records kept by such association to be recorded, copied or reproduced by any photostatic, photographic or miniature photographic process or by optical imaging

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if the process employed correctly, accurately and permanently copies, reproduces or forms a medium for copying, reproducing or recording the original record on a film or other durable material. An association may thereafter dispose of the original record. This section is applicable to federal associations insofar as it does not contravene federal law.

(b) Any photographic, photostatic, or miniature photographic copy or reproduction or copy reproduced from a film record or any copy of a record generated by optical disc storage of an association record shall be deemed to be an original record for all purposes and shall be treated as an original record in all courts or administrative agencies for the purpose of its admissibility in evidence. A facsimile, exemplification, or certified copy of any such photographic copy or reproduction, copy reproduced from a film record, or copy generated from optical disc storage of a record shall, for all purposes, be deemed a facsimile, exemplification, or certified copy of the original record.

RECORD SEARCH. An association is entitled to reimbursement for expenses and costs incurred in searching for, reproducing and transporting books, papers, records and other data required to be produced by legal process, unless otherwise prohibited by law. These expenses and costs shall be paid by persons seeking the production is a government unit, as defined in s. 108.02 (17). The expenses and costs shall be paid by persons seeking such production. If an association is entitled to reimbursement under this section, an association may not be required to produce books, papers, records and other data in response to legal process unless the expenses and costs, identified in an itemized invoice to be provided by the association, are paid or unless payment is tendered to the association in cash or by certified check or draft.

LEGAL HOLIDAYS. The division shall designate such of the legal holidays listed in s. 995.20 as days on which no association may transact business or be open for the purpose of transacting business. For purposes of this subsection, operation of a remote service unit as defined in s. 215.13 (46) (a) 1. or an unstaffed facility does not constitute the transaction of business.

AGENT OF SAVINGS AND LOAN ASSOCIATION. Any person who acts as the agent for any unauthorized savings and loan association in this state, or sells or disposes of any savings accounts, certificates, bonds or other evidences of indebtedness of or for any such unauthorized association, not licensed to transact business in this state, and any person who acts for any such unauthorized association or in any manner aids in the transaction of the business of such association in this state shall be guilty of a misdemeanor and be fined not less than $100 nor more than $500 for each offense, and shall be personally liable for any sums received by the person for or on behalf of such unauthorized association.

FEDERAL ASSOCIATIONS LOCATED IN WISCONSIN. Federal savings and loan associations which have their home offices located in Wisconsin, and are incorporated pursuant to the home owners’ loan act of 1933, as now or hereafter amended, are not foreign corporations or associations. Unless federal law or regulations provide otherwise, such federal savings and loan associations and members thereof shall possess all of the rights, powers, privileges, benefits, immunities and exemptions that are now provided or that may be hereafter provided by the laws of this state for associations organized under the laws of this state and for the members thereof. This provision is additional and supplemental to any provision which, by specific reference, is applicable to such federal savings and loan associations and the members thereof.

ACCESS TO BOOKS AND RECORDS. (a) 1. Every person may inspect those books and records of an association which pertain to the person’s loan or savings account. An association and officers and employees of an association may provide books, records or other information as required by court order or by a subpoena in a court or administrative proceeding.

2. If requested by an individual who is a customer, loan applicant or credit applicant, a financial institution, as defined in s. 705.01 (3), shall provide that individual with a copy of any written appraisal report which is held by the financial institution, which relates to residential real estate that the individual owns or has agreed to purchase and for which a fee is imposed.

3. If requested by an individual who is a customer, loan applicant or credit applicant, a financial institution, as defined in s. 705.01 (3), shall provide that individual, at no additional charge, with a copy of any written credit report which is held by the financial institution, which relates to that individual and for which a fee is imposed.

(b) Except as provided under par. (a), the right of inspection and examination of the books and records of an association is limited to:

1. The division or its authorized representatives.

2. Persons duly authorized to act for the association.

3. The deposit insurance corporation or any federal agency or other instrumentality approved by the division which is authorized to inspect and examine books and records of an insured association.

(c) The books and records of an association pertaining to savings accounts and loans shall be kept confidential by the association, its directors, officers and employees. Except as authorized under pars. (a) and (d) to (f), no other person may have access to the books and records or may be furnished or may possess a partial or complete list of borrowers or savings account owners.

(d) An association may disclose information from its books and records to a consumer reporting agency as defined in 15 USC 1681a (f) for purposes of a consumer report as defined in 15 USC 1681a (d).

(dn) An association may disclose information from its books and records as provided in s. 767.76 (5).

(e) An association shall disclose the current balances of a saver’s accounts and identify the accounts to any person who:

1. Submits an affidavit stating that the person has standing under s. 867.01 (3) (ac) or 867.02 (2) (ac) to petition for summary settlement or assignment of a decedent’s estate or that the person is an heir of the decedent, or was guardian, as defined in s. 54.01 (10) or s. 880.01 (3), 2003 stats., of the decedent at the time of the decedent’s death, and may obtain transfer of property of a decedent under s. 867.03; and

2. Submits a certified copy of the saver’s death record. If the association already possesses a certified copy of the saver’s death record, this subdivision does not apply.

(f) An association may furnish a partial or complete list of its customers to any person if all of the following apply:

1. The list does not classify customers by individual financial criteria, and contains only the names and addresses of customers.

2. The association gives each customer prior written notice of the association’s intent to furnish information about the customer and informs the customer that the customer has the right to prohibit the release by notifying the association in writing on a form provided by the association.

3. The person who is furnished a list agrees in writing not to furnish the list to another person.

CLOSING BOOKS. Each association shall close its books at least once annually and at such other times as the division requires. The date of the annual fiscal closing may be March 31, June 30, September 30 or December 31, unless rules of the division otherwise direct.

DECEPTIVE OR MISLEADING USE OF ASSOCIATION NAME, LOGO, OR SYMBOL. (a) Except as provided in par. (c), no person may use the name, logo, or symbol, or any combination thereof, of an association, or any name, logo, or symbol, or any combination thereof, that is deceptively similar to the name, logo, or symbol of an association, in any marketing material provided to or solicitation of another person in a manner such that a reasonable person may believe that the marketing material or solicitation originated from or is endorsed by the association or that the association is responsible for the marketing material or solicitation.

Updated 2021–22 Wisconsin Statutes updated through 2023 Wis. Act 19 and through all Supreme Court and Controlled Substances Board Orders filed before and in effect on August 25, 2023. Published and certified under s. 35.18. Changes effective after August 25, 2023, are designated by NOTES. (Published 8–25–23)
(b) The division shall direct any person the division finds to have violated par. (a) to cease and desist from violating par. (a). If a person violates par. (a) after receiving such direction, the division may impose a forfeiture of up to $1,000 for each violation. Each instance in which marketing material is provided to another person or solicitation of another person takes place in violation of par. (a) constitutes a separate violation. This subsection does not affect the availability of any remedies otherwise available to an association.

(c) Paragraph (a) does not apply to a person who uses the name, logo, or symbol of an association in any of the following circumstances:

1. With the consent of the association.

2. If the person is the association, an affiliate of the association, or an agent of the association.


215.32 Possession by division; involuntary liquidation. (1) Definition. In this section, “circuit court” means the circuit court of Dane County, notwithstanding s. 801.50.

(1m) Conditions for taking possession. The division may take possession of the business and property of any association to which this chapter applies if the division finds that the association:

(a) Is conducting its business contrary to law; or

(b) Has violated its charter or any law; or

(c) Is conducting its business in an unauthorized or unsafe manner; or

(d) Is in an unsound or unsafe condition to transact its business; or

(e) Has an impairment of its savings accounts; or

(f) Cannot with safety and expediency continue business; or

(g) Has suspended payment of its obligations; or

(h) Has failed to comply with an order of the division; or

(i) Has refused to submit its books, papers, records or affairs for inspection; or

(j) Has refused to be examined upon oath regarding its affairs.

(2) Procedure after taking possession. After taking possession of the business and property of an association, the division shall immediately:

(a) Serve written notice on an officer of the association stating that the division has taken possession and control of the business and property of the association. A copy of the notice and proof of service thereof shall be filed with the clerk of circuit court.

(b) Mail notice to the last-known address of any person known to the division to be in possession of assets of the association.

(3) Employment of counsel; retention of officers and employees of association. The division may employ necessary counsel and experts in a liquidation under this section and may retain any officer or employee of the association.

(4) Appointment of special deputy. The division may appoint special deputies as agents to assist in the liquidation and distribution of the assets of associations whose business and property the division has taken possession of. A certificate of the appointment shall be filed with the division and a certified copy shall be filed in the office of the clerk of circuit court.

(5) Surety bonds of special deputies and assistants. Special deputies and assistants shall furnish surety bonds in accordance with s. 215.11.

(6) Duties of special deputies. (a) Notice, allowance and payment of claims. The special deputy shall publish a class 3 notice, under ch. 985, requiring all persons who have claims against the association, other than savers whose claims are shown in the records of the association, to file proof of their claims at a place and by a date not earlier than 30 days after the last insertion of the notice. The special deputy shall mail a copy of the notice to all persons, at their last-known addresses, who appear as creditors upon the books of the association. Proof of publication and service of the notice shall be filed with the clerk of circuit court. A claim, other than that of a saver whose claim is shown on the records of the association, for which no proof of claim is filed by the date fixed in the notice is barred. Savers whose claims are shown in the records of the association need not file proof of their claims. Any interested party may file written objections to any claim with the special deputy. The special deputy may reject any claim, including a claim of a saver. After notice by registered mail of an action within 90 days after the date of mailing of the notice of rejection.

(b) Inventory of assets and statement of liabilities. The special deputy appointed under this section shall make an inventory of the assets of the association. One copy of the inventory shall be filed with the division and one in the office of the clerk of circuit court. After the time for filing proof of claims has expired, the special deputy shall make a complete list of the claims for which proof of claims were filed and specify the claims the special deputy has rejected. One copy shall be filed with the division and one in the office of the clerk of circuit court. The inventory of assets and list of claims shall be open to inspection.

(c) Execution of legal documents; borrowing of money. A special deputy appointed under this section may, with the prior approval of the division and the circuit court, execute, acknowledge and deliver all deeds, assignments, releases, or other instruments necessary and proper to effect any sale or transfer or encumbrance of the property of an association subject to this section and may borrow money for use in the liquidation.

(d) Conservation of assets; collection of claims; sale of assets. Any other acts upon order of the court. A special deputy appointed under this section may take any action necessary to conserve the assets and business of an association subject to this section and shall proceed to liquidate its affairs. The special deputy shall collect all claims belonging to the association, and, with the prior approval of the division and the circuit court, may sell or compound all bad or doubtful claims, do any act or execute any necessary instruments, or sell the property of the association.

(e) Depositing of moneys in one or more financial institutions. The moneys collected by the special deputy under this section shall be deposited in financial institutions, and in case of the suspension or insolvency of the depository the deposits shall be preferred before all other deposits.

(em) Claims against association. Claims against an association subject to this section shall be satisfied according to the following priority:

1. All costs, expenses and debts of the association incurred on or after the date on which the division takes possession of the association.

2. All claims which are secured by, or which are liens on, assets of the association, to the extent of the value of the assets.

3. All portions of secured claims which remain unsatisfied and unsecured claims on equal priority and proportionate basis, except subordinated debt shall be paid according to the terms of the contract evidencing it.

(f) Liquidating dividends. After the date fixed for filing proof of claims under s. 215.32(6) (a), the special deputy may, with the prior approval of the division and the circuit court, out of the funds remaining after the payment of costs, expenses, debts and claims under par. (em), declare liquidating dividends, and may declare a final liquidating dividend. The liquidating dividends shall be paid to those persons, in those amounts directed by the circuit court.

(g) Notice prior to order for final distribution. Prior to the order for final distribution under par. (f), the special deputy shall publish a class 3 notice, under ch. 985, and give such further notice as the circuit court direct, requiring all persons who have claims...
against the association arising during the liquidation proceedings to file proof of their claims at a place and by a date not earlier than 30 days after the last insertion of the notice. Proof of publication of the notice shall be filed with the clerk of circuit court. A claim for which no proof of claim is filed by the date fixed in the notice is barred. Any interested party may file written objection to any claim with the special deputy. The special deputy may reject any claim. After notice by registered mail of rejection, the claim is barred unless the claimant commences an action within 90 days after the date of mailing of the rejection.

(h) Transfer of residual assets to division. After the order for final liquidation has been made under par. (f), the special deputy shall, with the approval of the division and the circuit court, assign all assets, claims and demands that have been written off and considered worthless, and all unknown assets, to the division. The division may accept and hold the assets, claims and demands, with or without court approval. Any moneys received shall be paid into the general fund of the state after the division has deducted the cost of division services, attorney fees and other incidental expenses.

(7) Unclaimed liquidating dividends and unclaimed funds. (a) 1. The special deputy shall deliver to the division:
   a. Any unclaimed liquidating dividends and all funds remaining in the hands of the special deputy at the date of the order for final distribution.
   b. All final liquidating costs.
   2. The division shall deposit moneys delivered under subd. 1. in a financial institution, to the credit of the division in trust for the persons entitled to the moneys.
   3. The division shall include in the annual report under s. 215.02 (11):
      a. The names of associations liquidated.
      b. The sums of unclaimed and unpaid liquidating dividends and unclaimed funds with respect to each liquidated association.
      c. A statement of interest earned upon such funds.
   (c) The division may:
      1. Pay the moneys so held to the persons entitled thereto, upon being furnished satisfactory evidence of their right to the same.
      2. In case of doubt or conflicting claims, require an order of the circuit court directing the payment.
      3. Apply the interest earned by the moneys so held towards defraying the expenses in the payment and distribution of unclaimed liquidating dividends and funds to the persons entitled to the same.
   (d) The division may make application to the circuit court for an order determining what books or records of an association subject to this section are to be kept or destroyed. All books or records ordered kept shall be kept in a manner and place ordered, subject to the further order of the circuit court. The expense of keeping books or records shall be paid before final distribution. All books or records ordered destroyed shall be delivered to the division to be destroyed.

(8) Title passes to division. The possession of and title to all property of the association is transferred from the association to the division on the date the notice required by sub. (2) is filed. The filing of the notice bars any attachment, garnishment, execution or other legal proceedings against the association or its property.

(9) Effect of possession. No association shall have a lien or charge for any payment, advance or clearance made or liability incurred, against any of the assets of the association after the division has possession.

(10) Action to enjoin proceedings. An association subject to this section may, within 10 days after the notice required under sub. (2) is filed, apply to the circuit court to enjoin further proceedings. The circuit court, after citing the division to show cause why further proceedings should not be enjoined and hearing the matter, may enjoin the division from further proceedings, and direct the division to surrender the association’s business and property to the association.

(11) Compensation and expenses in connection with liquidation. The compensation of the special deputies, counsel and other employees and assistants and all expenses of supervision and liquidation shall be fixed by the division, subject to the approval of the circuit court, and shall upon the certificate of the division be paid out of the funds of the association. Such expenses include the cost of the service rendered by the division to the association and shall be determined from time to time by the division and shall be paid to the division from the assets of the association.

(13) Reinstatement. Whenever the division has taken possession of the business and property of any association, the association may resume business when:
   (a) In the case of a mutual association, the owners of at least two-thirds of such association’s dollar value aggregate of outstanding savings accounts or, in the case of a capital stock association, the owners of at least two-thirds of the association’s outstanding shares, execute a petition to such effect, in the form prescribed by the division;
   (b) Such members, savers or stockholders, or a committee selected by them, submit to the division a plan for the reorganization and reinstatement of the association;
   (c) The division recommends that control of the business and property of the association be returned to the directors; and
   (d) The court in which such liquidation is pending, upon application of the division, finds that the association will be in a safe and sound condition when control is resumed by the directors.

(14) Reinstatement upon a restricted basis. Such association may resume business upon a restricted basis, and upon limitations and conditions prescribed by the division when approved by the circuit court, upon application of the division. Such restrictions and conditions may include a prohibition against the acceptance of payments on new savings accounts, reasonable restrictions upon withdrawals of savings accounts and the payment of other liabilities. Such associations shall thereupon be relieved from the control of the division.

(15) Procedure upon taking possession of association whose savings accounts are insured by deposit insurance corporation. (a) The division may, if the division takes possession or any association, the savings accounts of which are to any extent insured by the deposit insurance corporation, tender to the deposit insurance corporation the appointment as statutory liquidator of such association. If the division does not make such tender, the division shall tender to the deposit insurance corporation the appointment as statutory co-liquidator to act jointly with the division, but the co-liquidatorship shall not be for more than one year from the date of such tender, at the expiration of which time the division shall become the sole liquidator except as herein otherwise provided. The division shall tender to the deposit insurance corporation the appointment as sole statutory liquidator of such association whenever the deposit insurance corporation has become subrogated to the rights of 90 percent of the liability of the association on savings accounts. If the deposit insurance corporation becomes subrogated as to all the savings accounts in the association, it may then exercise all the powers and privileges conferred upon it without court approval.
   (b) If the corporation accepts the appointment as sole liquidator it shall possess all the powers and privileges of the division as statutory liquidator of a possessed savings and loan association, and be subject to all the duties of the division as sole liquidator, except insofar as such powers and privileges or duties are in conflict with federal laws, and except as herein otherwise provided, unless such association resumes business, pursuant to subs. (13) and (14). If the corporation accepts the appointment as co-liquidator, it shall possess such powers and privileges jointly with the division and shall be subject to such duties jointly with said division.
(c) In the event the corporation accepts the appointment as co-liquidator or liquidator, it shall file such acceptance with the division and the clerk of the circuit court and it may act without bond. Upon the filing by the corporation of its acceptance of the appointment as sole liquidator, the possession of and title to all the assets, business and property of the association shall vest in the corporation without the execution of any conveyance, assignments, transfer or endorsement. Upon the filing by the corporation of its acceptance of the appointment as co-liquidator, such possession and title shall be vested in the division and the corporation jointly. If the corporation does not qualify as sole liquidator at or before the time herein provided for the expiration of the co-liquidatorship, the corporation shall be wholly divested of and from such joint title and possession and the sole title and possession shall thereupon vest in the division. The vesting of title and possession of the property of the association, under sub. (8), shall not render such property subject to any claims or demands against the federal corporation, except such as may be encumbered by it with respect to such association and its property. Whether or not it serves as aforesaid, the corporation may make loans on the security of or in respect of savings accounts of which are to any extent insured by it, but in any event provided, all or any part of the assets of any association, the savings accounts of which are to any extent insured by it, but in the event of such purchase, the corporation shall pay a reasonable price.

(d) Whether or not the corporation serves as liquidator, whenever it pays or makes available for payment the savings accounts of any such association in liquidation which are insured by it, it shall be subrogated upon the surrender and transfer to it of such savings accounts, with respect thereto, but such surrender and transfer shall not affect any right which the transferor has in such savings accounts which are not paid or made available for payment or any right to participate in the distribution of the net proceeds remaining from the disposition of the assets of such association. Provided, that the rights of the investors and creditors of such association shall be determined in accordance with the applicable laws of the state.


Cross-reference: See ch. 177 for disposition of unclaimed funds.

215.33 Foreign associations. (1) DOING BUSINESS IN THIS STATE. A foreign association is “doing business” in this state if it accepts funds for deposit in this state, takes loan applications in this state in the regular course of business, or otherwise engages in any activity which would, if engaged in by a domestic association or corporation, require it to be chartered under the laws of this state as a savings and loan association. However, a foreign association is not considered to be doing business in this state solely because it does one or more of the following:

(a) Makes a mortgage loan in this state, purchases a loan secured by real property located in this state, or otherwise acquires an interest in real property located in this state.

(b) Holds or disposes of any interest in real property located in this state.

(c) Pursues its rights or remedies in this state as the owner of real estate or under the terms of a real estate mortgage or similar security interest.

(d) Advertises in this state.

(2) LIMITATIONS ON THE ACTIVITIES OF FOREIGN ASSOCIATION. The activities in which a foreign association may engage in this state are limited to those in which an association chartered by this state may engage, and are subject to the laws of this state to the same extent as those activities of an association chartered by this state. No foreign association may do business in this state without a certificate of authority issued under this section.

(3) CERTIFICATE OF AUTHORITY TO DO BUSINESS. (a) Application fee and contents. Each application by a foreign association for a certificate of authority to do business in this state shall be accompanied by a $500 application fee payable to the office and shall contain:

1. A certified copy of the association’s current articles of incorporation and bylaws, or other similar governing documents.

2. The name and address of an individual in this state who will serve as the association’s agent under sub. (5).

3. Satisfactory evidence that the association is in good standing with the authorities responsible for its supervision in the jurisdiction in which it is organized.

4. If the accounts of the association are insured, satisfactory evidence that the insurance is in force.

5. Such other information as the division may require.

(b) Approval of applications. Upon receipt of a completed application and the required fee, the division may issue a certificate of authority. The certificate of authority may be subject to specific conditions that the division believes necessary to adequately safeguard the interests of the residents of this state. A certificate of authority to do business in this state shall not be issued unless:

1. The association is in sound financial condition and entitled to public confidence, and the division is satisfied that the association will conduct its business in this state in accordance with the laws of this state.

2. The accounts of the association are insured by the deposit insurance corporation or any other insurer acceptable to the division, or that adequate and sufficient securities have been deposited with the secretary of administration to assure that the association will meet its obligations to the residents of this state.

(c) Revocation. The division may revoke a certificate of authority issued under this section if:

1. The association fails to conduct its business in this state in accordance with the laws of this state.

2. The association refuses to permit the division to conduct a complete examination of the association, or fails to pay applicable costs or fees.

3. The division determines that the association is in an unsafe condition or that its continued operation in this state is otherwise inconsistent with the best interests of the residents of this state.

(4) EXAMINATION AND AUDIT OF FOREIGN ASSOCIATIONS. Each foreign association doing business in this state shall be examined by the division as provided under s. 215.03, audited under s. 215.25 and assessed fees and costs as provided under s. 215.02 (16), together with any out-of-state travel expenses incurred in the course of the examination. However, the division may accept an examination to the extent permitted under s. 215.03 (2) (b) and, in lieu of the requirement under s. 215.25 (1), may accept as all or part of the audit, all or any part of an audit made on behalf of the agency responsible for the supervision of the foreign association in the jurisdiction in which the association is organized.

(5) DESIGNATION OF REGISTERED AGENT. Each foreign association doing business in this state shall maintain on file with the division the name and address of an individual in this state who is authorized to receive legal process on behalf of the association. The division shall maintain a current record of each individual so designated. The record of the division shall be conclusive evidence of the authority of the person whose name appears therein to receive process on behalf of the association.

(6) RECIPROCITY. If the laws of another jurisdiction prohibit an association chartered by this state and insured by the deposit insurance corporation from doing business in that jurisdiction, no association organized under the laws of that jurisdiction may be authorized to do business in this state. If the laws of another jurisdiction require the posting of securities or impose other additional requirements as a condition of permitting an association chartered by this state to do business in that jurisdiction, the division may impose similar requirements on an association organized under...
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the laws of that jurisdiction before issuing the association a certificate of authority to do business in this state.


215.35 Conversion; or absorption; waiver. (1) The division may waive any portion of s. 215.53, 215.57, 215.58, 215.73 or 215.77 if the division makes written findings of both of the following:

(a) The net worth of an association is equal to less than one percent of the assets of the association or is reasonably expected to be less than one percent within one year.

(b) The waiver is in the best interest of savers of the association and the public.

(2) (a) An acquisition under this section is not subject to s. 215.36.

(b) Section 215.36 does not limit any authority of the federal regulatory agency or deposit insurance corporation in connection with an acquisition under this section.


215.36 Interstate acquisition and merger of associations. (1) DEFINITIONS. In this section:

(a) “In−state savings and loan” means an association or federal savings and loan association, both having their home offices in this state.

(b) “In−state savings and loan holding company” means a savings and loan holding company that has its principal place of business in this state and is not owned or controlled by a company having its principal place of business outside of this state.

(c) “Merger” includes absorptions under ss. 215.53 and 215.73.

(d) “Regional savings and loan” means a foreign association, if its accounts are insured by the deposit insurance corporation, or a federal savings and loan association, both having their home offices located in one of the regional states and that, if owned or controlled by a company, is owned or controlled by a regional state savings and loan holding company or by an in−state savings and loan holding company.

(e) “Regional savings and loan holding company” means a savings and loan holding company that has its principal place of business in a regional state and is not owned or controlled by a company having its principal place of business outside of the regional states.

(f) “Regional states” means the states of Illinois, Indiana, Iowa, Kentucky, Michigan, Minnesota, Missouri and Ohio.

(2) IN−STATE SAVINGS AND LOANS. (a) An in−state savings and loan may do any of the following:

1. Acquire direct or indirect ownership or control of voting shares of one or more regional savings and loans or acquire an interest in, or some or all of the assets and liabilities of, one or more regional savings and loans.

2. Merge with one or more regional savings and loans.

(b) An in−state savings and loan proposing any action under par. (a) shall provide the division a copy of any original application seeking approval by a federal agency or by an agency of the regional state and of any supplemental material or amendments filed in connection with any application.

(3) IN−STATE SAVINGS AND LOAN HOLDING COMPANIES. (a) An in−state savings and loan holding company may do any of the following:

1. Acquire direct or indirect ownership or control of voting shares of one or more regional savings and loans or regional savings and loan holding companies or acquire an interest in, or some or all of the assets of, one or more regional savings and loans or regional savings and loan holding companies.

2. Merge with one or more regional savings and loan holding companies.

(b) An in−state savings and loan holding company proposing any action under par. (a) shall provide the division a copy of any original application seeking approval by a federal agency or by an agency of the regional state and of any supplemental material or amendments filed in connection with any application.

(4) REGIONAL SAVINGS AND LOANS AND REGIONAL SAVINGS AND LOAN HOLDING COMPANIES. Except as provided in sub. (5), a regional savings and loan or regional savings and loan holding company may do any of the following:

(a) Acquire direct or indirect ownership or control of voting shares of one or more in−state savings and loans or in−state savings and loan holding companies or acquire an interest in, or some or all of the assets and liabilities of, one or more in−state savings and loans or in−state savings and loan holding companies.

(b) Merge with one or more in−state savings and loan holding companies.

(5) LIMITATIONS. A regional savings and loan or regional savings and loan holding company may not take any action under sub. (4) until all of the following conditions have been met:

(a) The division finds that the statutes of the regional state in which the regional savings and loan or regional savings and loan holding company has its principal place of business permit all of the following:

1. In−state savings and loans to acquire one or more regional savings and loans in the regional state.

2. In−state savings and loan holding companies both to acquire one or more regional savings and loans and to acquire and merge with one or more regional savings and loan holding companies in the regional state.

(b) The division has not disapproved the acquisition of the in−state savings and loan or the acquisition or merger with the in−state savings and loan holding company under sub. (7).

(c) The division gives a class 3 notice, under ch. 985, in the official state newspaper, of the application to take an action under sub. (4) and of the opportunity for a hearing and, if at least 25 residents of this state petition for a hearing within 30 days of the final notice or if the division on the division’s motion calls for a hearing within 30 days of the final notice, the division holds a public hearing on the application, except that a hearing is not required if the division finds that an emergency exists and that the proposed action under sub. (4) is necessary and appropriate to prevent the probable failure of an in−state savings and loan that is closed or in danger of closing.

(d) The division is provided a copy of any original application seeking approval by a federal agency of the acquisition of an in−state savings and loan or acquisition or merger with an in−state savings and loan holding company and of any supplemental material or amendments filed with the application.

(e) The applicant has paid the division a fee of $1,000 together with the actual costs incurred by the division in holding any hearing on the application.

(f) With regard to an acquisition of an in−state savings and loan that is chartered on or after May 9, 1986, the in−state savings and loan has been in existence for at least 5 years before the date of its acquisition.

(6) CONDITION ON ACQUISITION. If a regional state savings and loan holding company acquires an in−state savings and loan holding company that owns one or more in−state savings and loans that have been chartered on or after May 9, 1986, and that have been in existence for less than 5 years, the regional state savings and loan holding company shall divest itself of those in−state savings and loans within 2 years after the date of acquisition of the in−state savings and loan holding company by the regional state savings and loan holding company.

(7) STANDARDS FOR DISAPPROVAL. The division may disapprove of any action under sub. (4) if the division finds any of the following:
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215.40 Incorporation of a mutual savings and loan association. (1) USE OF NAME. (a) A corporation organized under this subchapter shall be known as a mutual savings and loan association. The words “savings and loan association” or “savings association” shall form part of the name of every mutual association so organized.

(b) No corporation other than a corporation organized under this subchapter or subch. III may use a name embodying those words. No association may adopt a name identical to that of any other association or so similar to an existing association name as to be misleading.

(c) An association shall include the word “savings” in its name if its name includes the word “bank.” This paragraph does not apply to an association name if the association obtained approval for use of the name from the division before February 12, 1992.

(2) MINIMUM MEMBERSHIP AND SAVINGS ACCOUNTS. The division shall determine:

(a) The minimum number of persons required to organize a mutual savings and loan association in any locality.

(b) The aggregate minimum amount of savings accounts to be paid into the association by persons subscribing for savings accounts.

(c) The length of time for which the incorporators shall guarantee or pay the association’s operating expenses.

(d) Such other requirements as the division deems necessary or desirable.

(3) WHO MAY ORGANIZE. Adult citizens of this state, hereinafter referred to as incorporators, desiring to organize a mutual association under this section shall make application to the division as prescribed on forms furnished by the division.

(4) APPLICATION TO ORGANIZE A MUTUAL ASSOCIATION. The application to organize a mutual association shall be in duplicate and shall set forth:

(a) The name of the proposed association.

(b) The location of the proposed association.

(c) The full name, residence and occupation of each incorporator.

(d) The need of an association in the locality in which the proposed association intends to locate.

(e) Such other information as the division requires.

(5) APPLICATION FEE. The applicants shall pay to the division $200 to defray the cost of investigation, which sum shall be deposited into the general fund to the credit of the division.

(6) EXPENSE FUND. (a) Along with the application, the incorporators shall file an agreement with the division that, in addition to their initial savings account subscriptions, they will create an expense fund in an amount not less than one-half of the total minimum required amount of savings accounts. The expense fund is for organization expenses, operating deficits, earnings distributions on savings accounts and losses.

(b) This expense fund shall become a part of the assets of the proposed association if the division approves the application and will be reflected on the books as a liability under the caption “Subsidy by incorporators.”

*Updated 21–22 Wis. Stats.*
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(12) COMPENSATION FOR ORGANIZING PROHIBITED. (a) No person may directly or indirectly receive or contract to receive any commission, salary, compensation, bonus, rights or privileges for organizing the association, or for securing a subscription for the original savings accounts of the association.

(b) This subsection does not prohibit an attorney from receiving reasonable compensation for legal services in connection therewith, after the association has been granted a certificate of incorporation.

(c) Whoever violates this subsection shall forfeit to the state $1,000 for each violation, and in addition double the amount of the violator’s commission, salary, compensation or bonus.

(13) CERTIFICATE OF COMPLIANCE. (a) Within the time prescribed in sub. (11), the incorporators shall file with the division a certificate stating:

1. That articles of incorporation have been executed, filed with and approved by the division, and recorded; and

2. That the first meeting of members was held and that directors and officers were elected at such meeting; and

3. That bylaws were adopted at the first meeting of members and filed with and approved by the division; and

4. That the minimum number of required savers was obtained, and that said savers, in the aggregate, paid to the association the required initial amount of savings accounts; and

5. That funds, representing the initial amount of savings accounts, have been deposited in the association’s designated depository bank; and

6. That the incorporators, in accordance with the requirement of sub. (6), paid to the association the moneys for an expense fund; and

7. That the moneys, representing the expense fund, have been deposited in the association’s designated depository bank; and

8. That ground floor, independent office quarters have been obtained for the proposed association; and

9. That necessary action has been taken to obtain insurance of savings accounts from the deposit insurance corporation or other instrumentality approved by the division.

(b) No business, other than that of completing the organization of the proposed association, may be transacted until such time as the division issues a certificate of incorporation to the association to commence business.

(14) CERTIFICATE OF INCORPORATION, WHEN ISSUED. Upon receipt of the certificate of compliance from the incorporators, the division may within 30 days issue a certificate of incorporation to the association authorizing the association to commence business. The date appearing on the certificate of incorporation shall be the date of the corporate existence of the association.

(15) FEE FOR CERTIFICATE OF INCORPORATION. The incorporators shall pay to the division a fee of $50 for the certificate of incorporation, which sum shall be deposited into the general fund to the credit of the division.

(16) CERTIFICATE OF INCORPORATION, WHEN VOIDED. Any association failing to commence business within one year from the date of the certificate of incorporation shall have its corporate existence terminated, and its articles of incorporation and certificate of incorporation shall be void.

(17) DISCRETIONARY AUTHORITY. The division shall have discretionary power in the granting of certificates of authority to incorporate desiring to organize such associations. The division may also refuse to issue certificates of incorporation to the incorporators to commence business when, in the division’s opinion, the incorporators or any of them are not of such character and general fitness as to warrant belief that the association will be conducted for the best interest of its members; the location of the association is so close to an existing association that its business might be interfered with and the support of the new association would not be such as to assure its success; or when other good and sufficient reasons exist for such refusal.
215.41 Articles of incorporation for mutual associations. (1) Form. The articles of incorporation of a mutual association shall be approved by the division. The division shall, with the approval of the review board, promulgate rules governing articles of incorporation.

(2) Filing and approval. Duplicate originals of the articles of incorporation executed by the incorporators, and any subsequent amendments thereto adopted by the members of the association, shall be filed with and approved by the division.

(3) Recording. Upon their approval by the division, articles of incorporation and amendments thereto shall be recorded in the office of the register of deeds of the county in which the home office of the association is located.

(4) Amendment procedure. Amendments to the articles of incorporation may be made at any annual or special meeting of the members duly called for that purpose, provided that a statement of the nature of the proposed amendment is included in the notice of meeting. The proposed amendment shall be adopted upon receiving the affirmative vote of a majority of the total eligible votes thereon, pursuant to s. 215.43 (4).

(5) Effective date. The effective date of articles of incorporation and amendments thereto shall be the date when left for record in the office of the register of deeds. The register of deeds shall forward a certificate of recording to the division.


Cross-reference: See also ch. DFI-SL 18, Wis. adm. code.

215.42 Bylaws of mutual associations. (1) Form. The bylaws of a mutual association shall be approved by the division. The division shall, with the approval of the review board, promulgate rules governing bylaws.

(2) Filing and approval. Duplicate originals of the bylaws and any subsequent amendments thereto shall be filed with and approved by the division.

(3) Effective date. The effective date of bylaws and amendments thereto shall be the date when approved by the division.

(4) Bylaws available to members. Each association shall have its bylaws prepared in convenient form and upon request shall furnish a copy to any member.

(5) Amendments to bylaws. The bylaws of the association may be amended as prescribed therein.

History: 1975 c. 359 s. 8; Stats. 1975 s. 215.41; 1979 c. 287; 1983 a. 167 ss. 54, 112; 1991 a. 316; 1995 a. 27.

Cross-reference: See also ch. DFI-SL 10, Wis. adm. code.

215.43 Members and voting rights in a mutual association. (1) Who may become a member. Any person, including but not limited to a partnership, corporation, fiduciary, association or federal agency, may become a member of any mutual association by owning a savings account in the association regardless of the age of the person owning the account or the amount of the account.

(2) Ownership of savings accounts by minors. With respect to any account created before July 1, 1975:

(a) Minors under 14 years of age may own savings accounts and shall have the power of the board when the minor attains the age of 14 years.

(b) Minors under 18 years of age may own savings accounts, and shall be subject to the same duties and liabilities as adult members. Payment for the withdrawal of savings accounts may, in the discretion of the board, be made to such minor, the parents or guardian, and the payments made on such withdrawals shall be valid, as well as payments on forfeited savings accounts or redeemed savings accounts.

(3) Meetings of members. Annual and special meetings of members shall be held in accordance with the method prescribed in the bylaws.

(4) Voting rights. (a) Each saver in a mutual association shall have one vote for each $100 or additional fraction of $100 of the withdrawal value of each of the saver’s savings accounts as they appear on the books of the association at the time determined by the board which shall be not more than 60 days preceding the first day of a meeting at which a vote is taken.

(b) At any meeting of members, voting may be in person or by proxy. Every proxy shall be in writing and signed by the member or the member’s duly authorized attorney in fact.

(c) If a member appears at a meeting, the member’s proxy shall be void for that meeting.

(d) Any proxy, when filed with the secretary, shall, unless otherwise specified in the proxy, continue in force from year to year until revoked by a written notice delivered to the secretary or until superseded by subsequent proxies.

(5) Termination of membership. Any member who has made a request for the withdrawal of the member’s savings account remains a member and has all rights, privileges and duties of a member, until the withdrawal value of the savings account is paid.


215.50 Directors of a mutual association. (1) Management responsibility. The government and management of a mutual association shall be vested in a board of directors, who are charged with the responsibility of compliance with this chapter, orders of the division, rules of the division promulgated under ch. 227, the articles of incorporation and bylaws of the association, and other laws applicable to savings and loan operations.

(2) Qualifications of directors and composition of the board. (a) To qualify as a director of a mutual association, a member must have a savings account in the association, the withdrawal value of which is at least $500. A director automatically ceases to be a director when the withdrawal value of his or her savings account is less than $500.

(b) At least two-thirds of the directors shall reside in this state.

(3) Number of directors. The board of directors shall consist of such number as designated in the bylaws.

(4) Election of directors. The directors shall be elected by the members in accordance with the bylaws.

(5) Vacancy on board of directors. Any vacancy on the board of directors may be filled by the majority vote of the remaining directors in accordance with the bylaws.

(6) Oath of directors. Upon election, every director shall take and subscribe an oath that the director will diligently and honestly perform the duties of such office and will not knowingly violate or willingly permit to be violated this chapter, any rule of the division, the articles of incorporation or bylaws under which the association operates, or any other law applicable to savings and loan operations.

(7) Directors to fix compensation. The compensation of officers, directors, employees and committee members shall be fixed by a majority vote of the board of directors in accordance with the bylaws. In addition, the board of directors may, by resolution, create a fund or join a pension system or enter into deferred compensation agreements for the retirement of its directors, officers and employees, subject to specific, prior approval of the division.

(8) May establish executive committee. The board of directors may appoint and remove, by resolution, an executive committee, the members of which shall be directors, and which committee shall have the power of the board when not in session.
(9) MEETINGS OF DIRECTORS. (a) The board of directors shall hold regular or special meetings in accordance with the bylaws.

(b) Unless the articles of incorporation or bylaws provide otherwise, the board may permit any or all directors to participate in a regular or special meeting or in a committee meeting, including an executive committee meeting, of the board by, or to conduct the meeting through the use of, any means of communication by which any of the following occurs:

1. All participating directors may simultaneously hear each other during the meeting.

2. All communication during the meeting is immediately transmitted to each participating director, and each participating director is able to immediately send messages to all other participating directors.

(c) If a meeting will be conducted through the use of any means described in par. (b), all participating directors shall be informed that a meeting is taking place at which official business may be transacted. A director participating in a meeting by any means described in par. (b) is deemed to be present in person at the meeting. If requested by a director, minutes of the meeting shall be prepared and distributed to each director.

(10) PROMULGATION OF RULES. The board of directors, by resolution, adopt rules and regulations for the conduct of business, provided that they are consistent with this chapter, the rules of the division, and the association's articles of incorporation and bylaws.

(11) REMOVAL OF OFFICERS OR DIRECTORS. (a) The board may remove a director who violates this chapter, the rules of the division, the articles of incorporation, the bylaws, orders of the division or any other law applicable to savings and loan operations. The board may remove a director only after affording the director a hearing.

(b) The board may remove any officer of the association who is elected or appointed by the board whenever in its judgment removal is in the best interest of the association.


Cross-reference: See also ch. DFI−SL 7 and ss. DFI−SL 2.02, 2.03, and 3.02, Wis. adm. code.

215.51 OFFICERS OF A MUTUAL ASSOCIATION. (1) GENERAL OFFICERS. (a) The general officers of a mutual association shall be:

1. A president;

2. One or more vice presidents;

3. A secretary;

4. A treasurer; and

5. Such other officers as the directors by resolution designate.

(b) The president shall also be a director.

(2) WHEN ELECTED. Immediately following each annual meeting of members, the directors shall convene and elect general officers for the ensuing year, in accordance with the bylaws.

(3) DUTIES OF OFFICERS. The officers shall, in addition to the duties and functions prescribed in the articles of incorporation and the bylaws, perform such other duties as are delegated by the directors.

(4) FILLING VACANCIES. Whenever any vacancy occurs in any general office, the directors shall, as soon as practicable, fill such vacancy by an election for the then unexpired term.

History: 1975 c. 359 ss. 20, 51; Stats. 1975 s. 215.51; 1983 a. 167.

215.512 DEFINITIONS APPLICABLE TO INDEMNIFICATION AND INSURANCE PROVISIONS. In ss. 215.512 to 215.521:

(1) "Director or officer" means any of the following:

(a) A natural person who is or was a director or officer of a mutual association.

(b) A natural person who, while a director or officer of a mutual association, is or was serving at the mutual association's request as a director, officer, partner, trustee, member of any governing or decision-making committee, manager, employee or agent of another mutual association or foreign association, corporation, limited liability company, partnership, joint venture, trust or other enterprise.

(c) A natural person who, while a director or officer of a mutual association, is or was serving an employee benefit plan because his or her duties to the mutual association also imposed duties on, or otherwise involved services by, the person to the plan or to participants in or beneficiaries of the plan.

(d) Unless the context requires otherwise, the estate or personal representative of a director or officer.

(2) "Expenses" include fees, costs, charges, disbursements, attorney fees and any other expenses incurred in connection with a proceeding.

(3) "Liability" includes the obligation to pay a judgment, settlement, forfeiture, or fine, including any excise tax assessed with respect to an employee benefit plan, plus costs, fees, and surcharges imposed under ch. 814, and reasonable expenses.

(4) "Mutual association" means a mutual savings and loan association organized under this subchapter and any domestic or foreign predecessor of the mutual association where the predecessor mutual association's existence ceased upon the consummation of a merger or other transaction.

(5) "Party" means a natural person who was or is, or who is threatened to be made, a named defendant or respondent in a proceeding.

(6) "Proceeding" means any threatened, pending or completed civil, criminal, administrative or investigative action, suit, arbitration or other proceeding, whether formal or informal, which involves foreign, federal, state or local law and which is brought by or in the right of the mutual association or by any other person.


215.513 MANDATORY INDEMNIFICATION. (1) A mutual association shall indemnify a director or officer, to the extent he or she has been successful on the merits or otherwise in the defense of a proceeding, for all reasonable expenses incurred in the proceeding if the director or officer was a party because he or she is a director or officer of the mutual association.

(2) (a) In cases not included under sub. (1), a mutual association shall indemnify a director or officer against liability incurred by the director or officer in a proceeding to which the director or officer was a party because he or she is a director or officer of the mutual association, unless liability was incurred because the director or officer breached or failed to perform a duty he or she owes to the mutual association and the breach or failure to perform constitutes any of the following:

1. A willful failure to deal fairly with the mutual association or its members in connection with a matter in which the director or officer has a material conflict of interest.

2. A violation of criminal law, unless the director or officer had reasonable cause to believe his or her conduct was lawful or no reasonable cause to believe his or her conduct was unlawful.

3. A transaction from which the director or officer derived an improper personal profit.

4. Willful misconduct.

(b) Determination of whether indemnification is required under this subsection shall be made under s. 215.514.

(c) The termination of a proceeding by judgment, order, settlement or conviction, or upon a plea of no contest or an equivalent plea, does not, by itself, create a presumption that indemnification of the director or officer is not required under this subsection.

(3) A director or officer who seeks indemnification under this section shall make a written request to the mutual association.

(4) (a) Indemnification under this section is not required to the extent limited by the articles of incorporation under s. 215.516.

(b) Indemnification under this section is not required if the director or officer has previously received indemnification or
allowance of expenses from any person, including the mutual association, in connection with the same proceeding.


215.514 Determination of right to indemnification. Unless otherwise provided by the articles of incorporation or bylaws or by written agreement between the director or officer and the mutual association, the director or officer seeking indemnification under s. 215.513 (2) shall select one of the following means for determining his or her right to indemnification:

1. By majority vote of a quorum of the board consisting of directors not at the time parties to the same or related proceedings. If a quorum of disinterested directors cannot be obtained, by majority vote of a committee duly appointed by the board and consisting solely of 2 or more directors not at the time parties to the same or related proceedings. Directors who are parties to the same or related proceedings may participate in the designation of members of the committee.

2. By independent legal counsel selected by a quorum of the board or its committee in the manner prescribed in sub. (1) or, if unable to obtain such a quorum or committee, by a majority vote of the full board, including directors who are parties to the same or related proceedings.

3. By a panel of 3 arbitrators consisting of one arbitrator selected by those directors entitled under sub. (2) to select independent legal counsel, one arbitrator selected by the director or officer seeking indemnification and one arbitrator selected by the 2 arbitrators previously selected.

4. By members by an affirmative vote of a majority of votes cast in person or by proxy as provided in s. 215.43 (4). Voting rights owned by, or voted under the control of, persons who are at the time parties to the same or related proceedings, whether as plaintiffs or defendants or in any other capacity, may not be voted in making the determination.

5. By a court under s. 215.518.

6. By any other method provided for in any additional right to indemnification permitted under s. 215.517.


215.515 Allowance of expenses as incurred. Upon written request by a director or officer who is a party to a proceeding, a mutual association may pay or reimburse his or her reasonable expenses as incurred if the director or officer provides the mutual association with all of the following:

1. A written affirmation of his or her good faith belief that he or she has not breached or failed to perform his or her duties to the mutual association.

2. A written undertaking, executed personally or on his or her behalf, to repay the allowance and, if required by the mutual association, to pay reasonable interest on the allowance to the extent that it is ultimately determined under s. 215.514 that indemnification under s. 215.513 (2) is not required and that indemnification is not ordered by a court under s. 215.518 (2) (b). The undertaking under this subsection shall be an unlimited general obligation of the director or officer and may be accepted without reference to his or her ability to repay the allowance. The undertaking may be secured or unsecured.


215.516 Mutual association may limit indemnification. (1) A mutual association’s obligations to indemnify under s. 215.513 may be limited as follows:

(a) If the mutual association obtains a certificate of incorporation on or after June 13, 1987, by the articles of incorporation, including any amendments to the articles of incorporation.

(b) If the mutual association has obtained a certificate of incorporation before June 13, 1987, by an amendment to the articles of incorporation with an effective date, as provided in s. 215.41 (5), on or after June 13, 1987.

215.517 Additional rights to indemnification and allowance of expenses. (1) Except as provided in sub. (2), ss. 215.513 and 215.515 do not preclude any additional right to indemnification or allowance of expenses that a director or officer may have under any of the following:

(a) The articles of incorporation or bylaws.

(b) A written agreement between the director or officer and the mutual association.

(c) A resolution of the board.

(d) A resolution, after notice, adopted by members by an affirmative vote of a majority of votes cast in person or by proxy as provided in s. 215.43 (4).

(2) Regardless of the existence of an additional right under sub. (1), the mutual association may not indemnify a director or officer, or permit a director or officer to retain any allowance of expenses unless it is determined by or on behalf of the mutual association that the director or officer did not breach or fail to perform a duty he or she owes to the mutual association which constitutes conduct under s. 215.513 (2) (a) 1., 2., 3. or 4. A director or officer who is a party to the same or related proceeding for which indemnification or an allowance of expenses is sought may not participate in a determination under this subsection.

(3) Sections 215.512 to 215.521 do not affect a mutual association’s power to pay or reimburse expenses incurred by a director or officer in any of the following circumstances:

(a) As a witness in a proceeding to which he or she is not a party.

(b) As a plaintiff or petitioner in a proceeding because he or she is or was an employee, agent, director or officer of the mutual association.


215.518 Court−ordered indemnification. (1) Except as provided otherwise by written agreement between the director or officer and the mutual association, a director or officer who is a party to a proceeding may apply for indemnification to the court conducting the proceeding or to another court of competent jurisdiction. Application shall be made for an initial determination by the court under s. 215.514 (5) or for review by the court of an adverse determination under s. 215.514 (1), (2), (3), (4) or (6). After receipt of an application, the court shall give any notice it considers necessary.

(2) The court shall order indemnification if it determines any of the following:

(a) That the director or officer is entitled to indemnification under s. 215.513 (1) or (2). If the court also determines that the mutual association unreasonably refused the director’s or officer’s request for indemnification, the court shall order the mutual association to pay the director’s or officer’s reasonable expenses incurred to obtain the court−ordered indemnification.

(b) That the director or officer is fairly and reasonably entitled to indemnification in view of all the relevant circumstances, regardless of whether indemnification is required under s. 215.513 (2).


215.519 Indemnification and allowance of expenses of employees and agents. A mutual association may indemnify and allow reasonable expenses of an employee or agent who is not a director or officer to the extent provided by the articles of incorporation or bylaws, by general or specific action of the board or by contract.


215.521 Insurance. A mutual association may purchase and maintain insurance on behalf of an individual who is an employee,
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agent, director or officer of the mutual association against liability asserted against and incurred by the individual in his or her capacity as an employee, agent, director or officer, or arising from his or her status as an employee, agent, director or officer, regardless of whether the mutual association is required or authorized to indemnify or allow expenses to the individual against the same liability under ss. 215.513, 215.515, 215.517 and 215.519.


215.523 Reliance by directors or officers. Unless the director or officer has knowledge that makes reliance unwarranted, a director or officer of a mutual association organized under this subchapter may, in discharging his or her duties to the mutual association, rely on information, opinions, reports or statements, any of which may be written or oral, formal or informal, including financial statements and other financial data, if prepared or presented by any of the following:

(1) An officer or employee of the mutual association whom the director or officer believes in good faith to be reliable and competent in the matters presented.

(2) Legal counsel, certified public accountants licensed or certified under ch. 442, or other persons as to matters the director or officer believes in good faith are within the person’s professional or expert competence.

(3) In the case of reliance by a director, a committee of the board of which the director is not a member if the director believes in good faith that the committee merits confidence.


215.524 Consideration of interests in addition to members’ interests. In discharging his or her duties to a mutual association organized under this subchapter and in determining what he or she believes to be in the best interests of the mutual association, a director or officer may, in addition to considering the effects of any action on members, consider the following:

(1) The effects of the action on employees, suppliers and customers of the mutual association.

(2) The effects of the action on communities in which the mutual association operates.

(3) Any other factors the director or officer considers pertinent.


215.525 Limited liability of directors and officers. (1) Except as provided in subs. (2) and (3), a director or officer of a mutual association organized under this subchapter is not liable to the mutual association, its members or creditors, or any person asserting rights on behalf of the mutual association, its members or creditors, or any other person, for damages, settlements, fees, fines, penalties or other monetary liabilities arising from a breach of, or failure to perform, any duty resulting solely from his or her status as a director or officer, unless the person asserting liability proves that the breach or failure to perform constitutes any of the following:

(a) A willful failure to deal fairly with the mutual association or its members in connection with a matter in which the director or officer has a material conflict of interest.

(b) A violation of criminal law, unless the director or officer had reasonable cause to believe his or her conduct was lawful or no reasonable cause to believe his or her conduct was unlawful.

(c) A transaction from which the director or officer derived an improper personal profit.

(d) Willful misconduct.

(2) Except as provided in sub. (3), this section does not apply to any of the following:

(a) A proceeding brought against a director or officer under s. 215.02 (10) or (15), 215.12 or 215.21 (21).

(b) A civil or criminal proceeding, other than a proceeding described under par. (a), brought by or on behalf of any governmental unit, authority or agency.

(c) A proceeding brought by any person for a violation of state or federal law where the proceeding is brought pursuant to an express private right of action created by state or federal statute.


215.526 General operation of a mutual association. The general operations of a mutual savings and loan association shall comply with this subchapter and the applicable provisions of subch. I.

History: 1975 c. 359; 1987 a. 13 s. 26a; Stats. 1987 s. 215.528.

215.53 Absorption involving mutual associations. (1) CONDITIONS PRECEDENT. (a) With the consent of the division and subject to any condition that the division prescribes, a mutual association organized under this chapter may, by an affirmative vote of at least two-thirds of the board of each institution, do any of the following:

1. Absorb or be absorbed by any thrift institution.

2. Absorb a mutual savings and loan holding company or mutual savings bank holding company under a plan, approved by the division, that provides that the mutual savings and loan holding company or mutual savings bank holding company ceases to engage in activities that the absorbing association may not engage in and that provides that stock in a subsidiary association that is not held by the absorbed mutual savings and loan holding company or mutual savings bank holding company is redeemed.

(b) The absorbed thrift institution, mutual savings and loan holding company or mutual savings bank holding company shall transfer its assets and liabilities to the absorbing thrift institution but not to defeat or defraud creditors.

(2) EFFECT OF ABSORPTION. (a) All the rights, franchises and property interests of the absorbed thrift institution or, subject to sub. (1) (a) 4., of the absorbed mutual savings and loan holding company or mutual savings bank holding company shall be deemed to be transferred to the absorbing thrift institution, which shall hold and enjoy same and all rights of property, franchises and interest in the same manner and to the same extent as was held and enjoyed by the absorbed thrift institution, mutual savings and loan holding company or mutual savings bank holding company.

(2) Except as provided in s. 215.01 (17), the savers of the absorbed thrift institution or of a subsidiary of an absorbed mutual savings and loan holding company or mutual savings bank holding company shall be members of the absorbing thrift institution or, if the absorbing thrift institution is a subsidiary of a mutual savings and loan holding company, members of the mutual savings and loan holding company, and possess and be subject to all rights, privileges and duties as provided in the bylaws of the absorbing thrift institution or mutual savings and loan holding company.

(b) Stockholders of a thrift institution absorbed under this section may be compensated by converting the shares of the absorbed thrift institution into, in whole or in part: obligations or other securities of the absorbing thrift institution or shares, obligations or other securities of any other thrift institution or corporation; or cash or other thing of value.

(3) WITHDRAWAL REQUESTS. Any saver in an absorbed thrift institution or in a subsidiary of an absorbed mutual savings and loan holding company or mutual savings bank holding company, who intends to file a written withdrawal request for savings accounts within one year after the date of approval of such absorption by the division, may do so by giving 90 days’ written notice of such intention, and the savings accounts shall be withdrawn as provided in s. 215.17. Any person who has filed such written withdrawal request shall remain a member and be subject to all rights, privileges and duties under this chapter and the bylaws and the rules and regulations of the absorbing thrift institution or, if the absorbing thrift institution is a subsidiary of a mutual savings and loan holding company, of the mutual savings and loan holding company.
215.56 Voluntary liquidation of a mutual association.  
(1) Procedure for voluntary liquidation.  (a) A mutual association may go into liquidation by a majority vote of the dollar value of the outstanding savings accounts at a members’ meeting held especially for that purpose, after 30 days’ notice to each saver.  
   (b) When an association has voted to liquidate, the board shall cause notice of this fact to be:
      1. Certified to the division under the seal of the association by its president and secretary;  
      2. Published as a class 3 notice, under ch. 985, in each county in which an office of the association is located, calling on all persons who have claims against the association to present them to the association and make proof thereof at a specified place and time; and  
      3. Mailed to all persons who appear as creditors on its books.  

(2) Period of liquidation.  A mutual association so liquidating shall dispose of all its assets within 10 years from the date of liquidation, unless the division orders otherwise.

(3) Status of board of directors.  The board shall remain a body corporate until the association is fully liquidated.

(4) Filling vacancies on board of directors.  In case of a vacancy on the board, the remaining directors may fill the vacancy by electing a director from the association’s savers.

(5) Applicability of other sections.  Any association so liquidating shall be subject to ss. 215.02 (16) and 215.03 the same as an association in actual operation.

(6) Resumption of business.  Any mutual association in liquidation may with the approval of the division resume business upon conditions approved by the division.

(7) Disposition of funds.  (a) Unclaimed liquidating dividends and all funds remaining unpaid in the hands of the association or its board of directors at or immediately prior to the date of final distribution, together with all final liquidating costs, shall be delivered by them to the division to be deposited by the division in one or more state banks, state savings banks or state-chartered savings and loan associations, to the credit of the division, in trust for the various members and creditors entitled thereto.  The division shall include in the annual report under s. 215.02 (11) the names of the associations so liquidated and the sums of unclaimed and unpaid liquidating dividends and unclaimed funds with respect to each of them respectively, including a statement of interest and dividends earned upon the funds.  

(b) The division may:
      1. Pay the moneys so held to the persons respectively entitled thereto, upon being furnished satisfactory evidence of their right to the same;  
      2. In case of doubt or conflicting claims, require an order of the circuit court authorizing and directing the payment of such moneys;  
      3. Apply the interest and dividends earned by the moneys so held toward defraying the expenses of the division.

(8) Reserved authority.  This section shall not prohibit the division from proceeding against any association as provided in s. 215.32.


215.57 Jurisdictional conversion of mutual associations.  
(1) Procedure to effect conversion.  A state-chartered mutual association may convert itself into a federal association, and any federal mutual association may convert itself into a state-chartered association, as follows:

(a) A meeting of the members shall be held upon not less than 10 days’ written notice to each member, served either personally or by mail, directed to the member at the member’s last-known post-office address, stating the time, place and purpose of such meeting.

(b) At such meeting, by the affirmative vote of the persons or by proxy, of not less than two-thirds of the dollar value of savings accounts of the association the members may by resolution declare to convert such association into a federal association or into a state-chartered association.  A copy of the minutes of such meeting, verified by the affidavit of the chairperson and the secretary of the meeting, shall be filed with the division within 10 days after the meeting.

(c) If the members vote to convert the association, the secretary shall, within 30 days after such meeting, serve notice on all members, either personally or by mail directed to them at their last-known postoffice addresses.  Within 30 days after service of the notice, any saver in the association may notify the association in writing that the saver desires to withdraw savings accounts.  Each saver so notifying the association shall be entitled to the withdrawal value of the savings accounts, less any amount due the association.

(d) 1. Within 6 months after the adjournment of a meeting to convert into a federal association, the association shall do what is necessary to make it a federal association.  Within 10 days after the receipt of the federal charter, the association shall file with the division a copy of the federal charter certified by the deposit insurance corporation.  Upon such filing the association shall cease to be a state-chartered association and shall thereafter be a federal association.

2. Within 6 months after the adjournment of a meeting of the members of a federal mutual association called for the purpose of converting the association into a state-chartered association, the division shall examine such association and shall determine the action necessary to qualify the converting federal mutual association for a state charter.  Upon complying with the necessary requirements, a state charter shall be issued to such association.

(2) When state supervision ceases.  When conversion from a state-chartered mutual association to a federal association becomes effective, the association shall cease to be supervised by this state.

(3) Corporate existence of association does not terminate upon conversion.  Upon the conversion of any state-chartered mutual association into a federal association or vice versa, the corporate existence of the converting association shall not terminate, and the resulting association shall be a continuation of the converting association.  All of the property and rights of the converted association shall by operation of law vest in the resulting association as of the time of the conversion, and all of its obligations become those of the resulting association.  Actions and other judicial proceedings to which the converting association is a party may be prosecuted and defended as if the conversion had not been made.

(4) Approval required before conversion becomes effective.  Before any such conversion of any association shall be final and in effect, the written approval of the division must be secured by such association.


Conversion from a federal-chartered association to a state-chartered association did not render moot an action to set aside a resolution of the federal home loan bank board authorizing the establishment of a branch office.  Elm Grove Savings & Loan Association v. Federal Home Loan Bank Board, 391 F. Supp. 1041 (1975).

215.58 Organizational conversion from mutual to stock form.  
(1) Conversion into stock association.  (a) A state chartered mutual association may convert to a stock association or a mutual savings and loan holding company may convert to a stock savings and loan holding company under this section.  The board shall adopt a plan of conversion which complies with
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(4) Retention of Directors. Unless the plan of conversion provides otherwise, the directors of the converted mutual association or the converted mutual savings and loan holding company shall continue to serve as directors of the stock association or stock savings and loan holding company for the duration of the term to which they were elected.

(5) Continuation of Corporate Existence After Conversion; Assumption of Privileges and Obligations. (a) Upon conversion of a mutual association or mutual savings and loan holding company under this section, the legal existence of the association or holding company shall not terminate. The stock association shall be a continuation of the mutual association and the stock savings and loan holding company shall be a continuation of the mutual savings and loan holding company. All property of the mutual association or mutual savings and loan holding company and every right, privilege, interest and asset of every conceivable value or benefit then existing or pertaining to it, or which would inure to it, shall immediately, without any conveyance, transfer or further act, remain and vest in the stock association or stock savings and loan holding company. The stock association or stock savings and loan holding company shall have, hold and enjoy the same in its own right as fully and to the same extent as the same was possessed, held and enjoyed by the mutual association or mutual savings and loan holding company.

(b) The stock association or stock savings and loan holding company resulting from a conversion under this section shall continue to have and succeed to all the rights, obligations and relations of the mutual association or mutual savings and loan holding company. No pending action or judicial proceeding to which the mutual association or mutual savings and loan holding company is a party shall be abated or discontinued by reason of the conversion. Such an action or proceeding may be prosecuted to final judgment, order or decree in the same manner as if the conversion had not been made, and the stock association or stock savings and loan holding company resulting from the conversion may continue the action in its corporate name as a mutual association or mutual savings and loan holding company. Any judgment, order or decree may be rendered for or against the stock association or stock savings and loan holding company that might have been rendered for or against the mutual association or mutual savings and loan holding company previously involved in the proceeding. Each owner of a savings account in the mutual association or a subsidiary association of the mutual savings and loan holding company continues ownership of the account in the stock association or the subsidiary association of the stock savings and loan holding company under the same terms applicable to the account prior to conversion.

(6) Reserved Authority. The division may issue rules governing the conversion of a mutual association or mutual savings and loan holding company, including:

(a) Procedural rules.
(b) The fixing of a record date or dates for determining the respective rights of owners of savings accounts.
(c) Provisions of the plan of conversion and the restated articles of incorporation.
(d) Voting rights.
(e) The composition, qualification and experience of principal officers and directors.
(f) Voting trust agreements.
(g) Employment contracts.
(h) The disposition, if any, of retained earnings.
(i) The distribution, issuance, sale and subscription of capital stock and additional paid—in capital.
(j) Any other requirement for converting a mutual association to a stock association or a mutual savings and loan holding company to a stock savings and loan holding company.


215.59 Mutual savings and loan holding companies.

(1) Formation. (a) Reorganization. A mutual association may reorganize as a mutual savings and loan holding company under this section.

(b) Plan. A reorganizing mutual association shall prepare a reorganization plan. Under a reorganization plan, a mutual association shall do all of the following:

1. Charter a stock association.
2. Transfer to the stock association a substantial part of its assets and liabilities, including all of its savings account liabilities.
3. Prepare articles of incorporation and bylaws for the mutual savings and loan holding company.
4. Capital asset retention. Subject to the approval of the division, if the net worth of the stock association chartered under the reorganization plan exceeds the minimum net worth under s. 215.24, a plan may permit a mutual savings and loan holding com-
pany to retain capital assets of the reorganizing mutual association.

(d) Approval required. A mutual association may not imple-
ment a reorganization plan unless the plan is approved by all of the
following:
1. Two-thirds of the directors of the mutual association.
2. The members of the mutual association under par. (e).
3. The division under par. (f).

(e) Member approval. 1. Notice of a meeting to vote on a reor-
ganization plan shall be sent to members at least 10 days before
the meeting. The notice shall state the time, place and purpose
of the meeting, shall provide a summary of the reorganization plan
and shall provide any other information that the division requires.
2. An affirmative vote by a majority of all votes entitled to be
cast by members shall be required to approve a reorganization plan.
3. Within 10 days after a reorganization plan receives member
approval, the mutual association shall submit to the division a
copy of the minutes of the meeting at which the plan is approved.
The secretary of the mutual association shall certify that the min-
utes show that the members approved the reorganization plan.

(f) Division approval. The division may approve a reorganiza-
tion plan if the division finds that all of the following conditions exist:
1. The reorganization plan is fair to all members in the reor-
ganizing mutual association.
2. The reorganization plan protects the interest of savers
whose savings accounts are transferred to the stock association.
3. The reorganization plan complies with rules promulgated
by the division governing the reorganization of a mutual associa-
tion into a mutual savings and loan holding company and the opera-
tion of a mutual savings and loan holding company.

(g) Certificate of reorganization. If the division determines
that the mutual association has complied with the requirements of
this subsection and has implemented the reorganization plan as
approved, the division shall issue a certificate of reorganization
evidencing that the mutual association has been reorganized into
a mutual savings and loan holding company. The date specified
in the certificate shall be the effective date of reorganization. On
the date specified in the certificate, the mutual association ceases
to exist but its legal existence continues as a mutual savings and
loan holding company. The certificate shall be recorded with the
register of deeds in the county in which the home office of the
mutual association was located and in the county in which the reg-
istered office of the mutual savings and loan holding company is
located.

(h) Retention of directors, proxies. 1. Unless the reorganiza-
tion plan provides otherwise, a director of a mutual association
continues to serve as a director of the mutual savings and loan
holding company for the duration of the director’s term.
2. Unless the reorganization plan or the proxy provides other-
wise, a proxy that may be cast on behalf of a mutual association
member may be cast on behalf of a mutual savings and loan holding
company member until the proxy is revoked or superseded
under sub. (2) (d).

(2) MEMBER AND MEMBER RIGHTS. (a) Effect of reorganization
or absorption. When a mutual association reorganizes under sub.
(1) or is absorbed by a subsidiary of a mutual savings and loan
holding company under s. 215.53, a member of the mutual associ-
ation becomes a member of the mutual savings and loan holding
company. On the effective date of the reorganization or absorp-
tion, a member’s rights in the mutual association end and a mem-
ber’s rights in the mutual savings and loan holding company begin.

(b) Who may be a member. A person becomes a member of a
mutual savings and loan holding company by owning a savings
account in an association that is a subsidiary of the savings and
loan holding company, unless the savings account is evidenced by
a negotiable certificate of deposit that is not in registered form.

(c) Voting rights. A member of a mutual savings and loan hold-
ing company shall have one vote for each $100 or additional frac-
tion of $100 of the withdrawal value of each of the member’s sav-
ings accounts in a subsidiary association of the mutual savings and
loan holding company, as the savings accounts appear on the
books of an association at the end of a day selected by the board
of directors of the mutual savings and loan holding company. The
board may not select a day to determine the withdrawal value of
savings accounts that is more than 60 days before the day at which
a vote is taken.

(d) Proxies. Members of a mutual savings and loan holding
company may vote at person or by proxy at any meeting. A proxy
shall be in writing and signed by the member or the member’s
authorized attorney. A proxy filed with the secretary shall, unless
specified in the proxy, continue in force until revoked by a written
notice to the secretary or until superseded by another proxy.

(e) Member termination. Membership in a mutual savings and
loan holding company ends if the member withdraws the full
withdrawal value of all savings accounts in subsidiary associa-
tions. A member who requests the full withdrawal value of the
member’s savings accounts remains a member until the with-
drawal value is paid in full.

(3) POWERS. (a) Powers of holding company. A mutual sav-
ings and loan holding company may do any of the following:
1. Invest in or acquire an association or a savings bank.
2. Acquire an association or savings bank by the absorption
of the association or savings bank by a subsidiary association of
the savings and loan holding company.
3. Acquire or merge with a mutual savings and loan holding
company or a mutual savings bank holding company.
4. Invest in securities an association may invest in under s.
215.13 (26).
5. Engage in activities an association may engage in under s.
215.13 (27) to (29).
6. Convert to a stock savings and loan holding company under
s. 215.58 or to a stock savings bank holding company.
7. Furnish or perform management services for a subsidiary.
8. Hold, manage or liquidate assets owned by or acquired
from a subsidiary.
9. Hold or manage property used by the mutual savings and
loan holding company or a subsidiary.
10. Unless limited or prohibited by the division, engage in any
activity that the federal reserve board permits a bank holding com-
pany to engage in under 12 CFR 225, subpart C, promulgated pur-
suant to 12 USC 1843 (e) or any activity that the federal savings
and loan insurance corporation authorized a multiple savings and
loan holding company to engage in directly on March 5, 1987.
11. Be absorbed by a mutual association under s. 215.53 (1)
(a) 4, or by a mutual savings bank.
12. Dissolve itself and the stock association chartered under
sub. (1) (b) 1. and convert itself and the stock association into a
mutual association or mutual savings bank under a plan, approved
by the division, that provides that the converting mutual savings
and loan holding company ceases to engage in activities that
are converted or savings bank may not engage in and that
provide that stock in a subsidiary association or savings bank that
is not held by the converting mutual savings and loan holding
company is redeemed.

(b) Powers of subsidiaries. This subsection does not limit the
powers of an association that is a subsidiary of a mutual savings
and loan holding company.

(4) STOCK IN SUBSIDIARY. Under a plan approved by the divi-
sion, a stock association that is a subsidiary of a mutual savings
and loan holding company may issue any number of nonvoting
shares and less than 50 percent of the voting shares of the stock

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association to persons other than the mutual savings and loan holding company.


SUBCHAPTER III

CAPITAL STOCK SAVINGS AND LOAN ASSOCIATIONS; ORGANIZATION AND MANAGEMENT

215.60  Incorporation of a capital stock savings and loan association.  (1) USE OF NAME.  (a) A corporation organized under this subchapter shall be known as a capital stock association. The words “savings and loan association” or “savings association” shall form part of the name of every capital stock association so organized.

(b) No corporation other than a corporation organized under this subchapter or subch. 215 may use a name embodying those words. No association may adopt a name identical to that of any other association or so similar to an existing association name as to be misleading.

(c) An association shall include the word “savings” in its name if its name includes the word “bank.” This paragraph does not apply to an association name if the association obtained approval for use of the name from the division before February 12, 1992.

(2) MINIMUM REQUIREMENTS.  The division by rule shall determine:

(a) The minimum number of stockholders required to organize a capital stock association in any locality.

(b) The minimum amount of capital stock and additional paid-in capital.

(c) Such other requirements as the division deems necessary or desirable.

(3) WHO MAY ORGANIZE.  Any individual who is a resident of this state may apply to the division for authority to incorporate a stock association under this section. The individual applying is the incorporator.

(4) APPLICATION TO ORGANIZE.  The application to organize a capital stock association shall set forth:

(a) The name of the proposed association.

(b) The location of the proposed association.

(c) The name, residence and occupation of each incorporator.

(d) The amount of initial capital stock and additional paid-in capital.

(e) The amount of initial savings accounts.

(f) The need for an association in the locality in which the proposed association intends to locate.

(g) The name and addresses of the initial directors.

(h) Such other information as the division requires.

(5) APPLICATION FEE.  The incorporators shall pay to the division a $500 fee, which sum shall be paid by the division into the general fund to the credit of the division. Applicants shall also be liable for any other direct costs incurred by the division or review board for any transcripts of hearings, per diems and travel expenses.

(6) NOTICE OF APPLICATION AND HEARING THEREON.  Upon receipt of a properly executed application, the division shall, within 30 days, assign a date and place for hearing on the application and notice thereof shall be given as provided in s. 215.40 (7).

(7) CERTIFICATE OF AUTHORITY, WHEN ISSUED.  If the application to organize a capital stock association is approved, the division shall issue to the incorporators a certificate of authority to effect a temporary organization, consisting of a chairperson, a secretary and a treasurer; to adopt articles of incorporation; to adopt bylaws; to adopt rules for the procedure of the incorporators; to conduct meetings; and to open subscription books for the sale of capital stock and also open subscription books for savings accounts.

(8) POWERS OF INCORPORATORS.  Until completion of its organization, incorporators of a stock association may exercise such other powers as are conferred upon the incorporators of other corporations, if such powers are not in conflict with this chapter.

(9) SURETY BONDS OF OFFICERS.  The incorporators of a capital stock association shall provide a surety bond in a suitable amount from the treasurer and other officers who may handle funds of the temporary organization.

(10) CERTIFICATE OF AUTHORITY, WHEN VOIDED.  The certificate of authority as described in sub. (7) shall be void after 180 days from its date, but the division may, for cause, extend the life of the certificate for such time as the division deems advisable.

(11) CERTIFICATE OF COMPLIANCE.  (a) Within the time prescribed in sub. (10), the incorporators of the proposed capital stock association shall file with the division a certificate stating:

1. That articles of incorporation have been executed, filed with and approved by the division and recorded;

2. That a meeting of stockholders was held and that directors and officers acceptable to the division were elected at the meeting;

3. That bylaws were adopted and filed with and approved by the division;

4. That the minimum number of required stockholders subscribing for capital stock was obtained, and that the stockholders, in the aggregate, paid to the association the required minimum amount of capital stock and additional paid—in capital;

5. That the funds, representing the initial sale of capital stock and additional paid—in capital, have been deposited in the association’s designated depository bank;

6. That ground floor, independent office quarters have been obtained for the proposed association;

7. That insurance of savings accounts has been obtained from the deposit insurance corporation or other instrumentality approved by the division; and

8. That a competent person, fully conversant with savings and loan laws and regulations, has been engaged to handle the affairs of the proposed association.

(b) No business, other than that of completing the organization of the proposed capital stock association, may be transacted until such time as the division issues a certificate of incorporation to the association to commence business.

(12) CERTIFICATE OF INCORPORATION, WHEN ISSUED.  Upon receipt of the certificate of compliance from the incorporators, described in sub. (11), and after all fees have been paid, the division may within 90 days issue a certificate of incorporation to the association authorizing the association to commence business. The date appearing on the certificate of incorporation shall be the date of the corporate existence of the association.

(13) CERTIFICATE OF INCORPORATION, WHEN VOIDED. Any capital stock association failing to commence business within 6 months from the date of the certificate of incorporation shall have its corporate existence terminated, and its articles of incorporation and certificate of incorporation shall be voided, but the division may for cause, extend the life of such certificate for such time as the division deems advisable.

(14) DISCRETIONARY AUTHORITY.  The division shall have the discretionary power in the granting of certificates of authority to incorporators desiring to organize capital stock associations. The division may refuse to issue certificates of incorporation to the incorporators of a capital stock association to commence business when, in the division’s opinion, the incorporators or any of them are not of such character and general fitness as to warrant belief that the association will be conducted for the best interests of the public; the location of the proposed association is so close to an existing association that undue harm might result, or the support of the new association might not be such as to assure its success; or when other good and sufficient reasons exist for such refusal.

(15) APPEAL BY APPLICANTS.  If the division refuses to grant a certificate of authority or a certificate of incorporation and the
215.61 Articles of incorporation for capital stock associations.  (1) FORM.  The articles of incorporation of a capital stock association shall be approved by the division.  The division shall, with the approval of the review board, promulgate rules governing articles of incorporation.

(2) FILING AND APPROVAL.  Duplicate originals of the articles of incorporation executed by the incorporators, and any subsequent amendments thereto adopted by the stockholders of the association, shall be filed with and approved by the division.

(3) RECORDING.  Articles of incorporation and amendments to the articles shall be recorded in the office of the register of deeds of the county in which the home office of the association is located.

(4) AMENDMENT PROCEDURE.  Amendments to the articles of incorporation may be made at any annual or special meeting of the stockholders duly called for that purpose.  A statement of the nature of the proposed amendment shall be included in the notice of the meeting.  The vote required for adoption of an amendment shall be prescribed in the articles but shall not be less than the affirmative vote of a majority of the eligible votes.

(5) EFFECTIVE DATE.  The effective date of the articles of incorporation and amendments thereto shall be the date when left for record in the office of record of deeds.  The register of deeds shall forward a certificate of recording to the division.


Cross-reference: See also ch. DFI−SL 18, Wis. adm. code.

215.62 Bylaws of stock associations.  (1) FORM.  The bylaws of a stock association shall be approved by the division.  The division shall, with the approval of the review board, promulgate rules governing bylaws.

(2) FILING AND APPROVAL.  Duplicate originals of the bylaws and amendments thereto shall be filed with and approved by the division.

(3) EFFECTIVE DATE.  The effective date of bylaws and subsequent amendments thereto shall be the date on which such bylaws or amendments are approved by the division.

(4) BYLAWS AVAILABLE TO STOCKHOLDERS.  Each stock association shall have its bylaws in convenient form and upon request shall furnish a copy to any stockholder.

(5) AMENDMENT TO BYLAWS.  The bylaws of the association may be amended as prescribed in the association’s bylaws or articles of incorporation.

History: 1975 c. 359, 421; 1983 a. 167; 1995 a. 27.

Cross-reference: See also s. DFI−SL 10.02, Wis. adm. code.

215.64 Control of association by holding company.  (1) A savings and loan holding company shall be deemed to be engaged in the savings and loan business and shall be subject to the supervision and control of the division.  Such savings and loan holding company shall file reports of its financial condition when requested by the division, and the division may order an examination of its solvency and economic condition whenever, in the division’s opinion, an examination is required.  The cost of the examination shall be paid by the savings and loan holding company.  Whenever in the opinion of the division, the condition of the savings and loan holding company shall endanger the safety of the savings capital of any savings and loan association which it owns or in any manner controls, or the operation of such savings and loan holding company shall be carried on in a manner which endangers the safety of such savings and loan association or its savers, or is contrary to the public interest, the division may order the savings and loan holding company to remedy such condition or policy within 90 days.  If the division’s order is not complied with, the division may fully direct the operation of such savings and loan association or savings and loan holding company until the order is complied with, and may withhold all dividends from the institution whose operation the division directs during the period in which the division exercises such authority.

(2) Subsection (1) shall apply to any foreign corporation, association, investment trust, or other form of trust which shall be authorized to do business in Wisconsin.

(3) All of the foregoing provisions of this section relating to companies shall apply equally to all other forms of organization, whether so specifically stated or not, but nothing contained in this section shall be construed to prohibit any trust company bank, or state or national bank, authorized to administer or execute trusts, to accept and carry out the provisions of any personal trust, or any trust created by will where the owner of savings and loan association stock shall create a trust for the owner’s benefit during the owner’s lifetime, or shall provide by will a trust in savings and loan association stock for the benefit of the owner’s heirs, and trusts so created shall not be deemed to come within the provisions of this section.


215.67 Dividends.  The board of a stock association may declare and pay dividends, subject to the orders and rules of the division.

History: 1975 c. 359; 1983 a. 167; 1995 a. 27.

215.70 Directors of a stock association.  (1) MANAGEMENT RESPONSIBILITY.  The management of a stock association shall be vested in a board of directors, who are charged with the responsibility of complying with this chapter, orders of the division, rules of the division promulgated under ch. 227, the articles of incorporation and bylaws of the association, and other laws applicable to savings and loan operations.

(2) DIRECTORS TO FIX COMPENSATION.  The compensation of officers, directors, employees and committee members, including but not limited to pension or deferred compensation agreements, shall be fixed by a majority vote of the board of directors in accordance with the bylaws.

(3) MEETINGS OF DIRECTORS.  (a) The board shall hold meetings in accordance with the bylaws.

(b) Unless the articles of incorporation or bylaws provide otherwise, the board may permit any or all directors to participate in a regular or special meeting or in a committee meeting of the board by, or to conduct the meeting through the use of, any means of communication by which any of the following occurs:

1. All participating directors may simultaneously hear each other during the meeting.

2. All communication during the meeting is immediately transmitted to each participating director, and each participating director is able to immediately send messages to all other participating directors.

(c) If a meeting will be conducted through the use of any means described in par. (b), all participating directors shall be informed that the meeting is taking place at which official business may be transacted.  A director participating in a meeting by any means described in par. (b) is deemed to be present in person at the meeting.

If requested by a director, minutes of the meeting shall be prepared and distributed to each director.

(4) PROMULGATION OF RULES.  The board may by resolution adopt rules for the conduct of business by the association, provided they are consistent with this chapter, the rules of the division, and the articles of incorporation and bylaws of the association.

(5) QUALIFICATION OF DIRECTORS.  At least two−thirds of the directors shall reside in this state.


Cross-reference: See also ss. DFI−SL 2.02, 2.03, and 7.02, Wis. adm. code.

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applicants feel aggrieved thereby, they may appeal to the review board to review the division’s determination.

(16) APPLICABILITY OF CHAPTER 180.  The provisions of ch. 180 not in conflict with this chapter shall apply to all capital stock associations.


Cross-reference: See also ch. DFI−SL 18, Wis. adm. code.

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215.71 **Officers of stock association.** (1) **GENERAL OFFICERS.** (a) The general officers of a stock association shall be:

1. A president;
2. One or more vice presidents;
3. A secretary;
4. A treasurer; and
5. Such other officers as the board of directors by resolution designate.

(b) The president shall also be a director.

(2) **WHEN ELECTED.** Immediately following each annual meeting of stockholders the directors shall convene and elect general officers for the ensuing year, in accordance with the bylaws.

(3) **DUTIES OF OFFICERS.** In addition to the duties and functions prescribed in the articles of incorporation and the bylaws, the officers shall perform such other duties as are delegated by the directors.

(4) **FILLING VACANCIES.** If a vacancy occurs in any general office, the directors shall, as soon as practicable, fill such vacancy by an election for the duration of the unexpired term.

**History:** 1975 c. 359; 1983 a. 167.

215.72 **General operations of a stock association.** The general operation of a stock association shall comply with this subchapter and applicable provisions of subch. I.

**History:** 1975 c. 359.

215.73 **Absorption involving stock associations.**

(1) **CONDITIONS PRECEDENT.** (a) With the consent of the division and subject to any condition that the division prescribes, a stock association organized under this chapter may absorb or be absorbed by a thrift institution, with the affirmative vote of at least two-thirds of the board of the association and of the thrift institution.

(b) The absorbed thrift institution shall transfer its assets and liabilities to the absorbing thrift institution but not to defeat or defraud creditors.

(2) **EFFECT OF ABSORPTION.** (a) Upon absorption the rights, franchises and property interests of the absorbed thrift institution shall be deemed to be transferred to the absorbing thrift institution, which shall hold and enjoy same, in the same manner and to the same extent as the absorbed thrift institution.

(b) Stockholders of a thrift institution absorbed under this section may be compensated by converting the shares of the absorbed thrift institution into, in whole or in part: shares, obligations or other securities of the absorbing thrift institution or of any other thrift institution or corporation; or cash or other thing of value.

(c) All savers in the absorbed thrift institution shall be owners of savings accounts of the same withdrawal value in the absorbing thrift institution.

(3) **WITHDRAWAL REQUESTS.** Any saver in an absorbed thrift institution, who intends to file a written withdrawal request for savings accounts within one year after the date of approval of such absorption by the division, may do so by giving 90 days' written notice of such intention, and the savings accounts shall be withdrawn as provided in s. 215.17.

**History:** 1975 c. 359, 421; 1983 a. 167, 422; 1989 a. 32, 221; 1995 a. 27, 104.

215.76 **Voluntary liquidation of a stock association.**

(1) **PROCEDURE FOR VOLUNTARY LIQUIDATION.** (a) A stock association may go into liquidation by a majority vote of the outstanding capital stock of the association at a stockholders' meeting held especially for that purpose, after 30 days' notice to each stockholder.

(b) When an association has voted to liquidate, the board shall cause notice of this fact to be:
1. Certified to the division under the seal of the association, by its president and secretary.
2. Published as a class 3 notice, under ch. 985, in the county in which an office of the association is located, calling on all persons who have claims against the association to present them to the association and make proof thereof at a specified place and time.
3. Mailed to all persons who appear as creditors on the books of the association and to all savers in the association.

(2) **PERIOD OF LIQUIDATION.** A stock association so liquidating shall dispose of its assets within 10 years from the date of liquidation, unless the division orders otherwise.

(3) **STATUS OF BOARD OF DIRECTORS.** The board shall remain a body corporate until the association is fully liquidated.

(4) **FILLING VACANCIES ON BOARD OF DIRECTORS.** In case of a vacancy on the board, the remaining directors may fill the vacancy by electing a director.

(5) **APPLICABILITY OF OTHER SECTIONS.** A stock association liquidating under this section shall be subject to ss. 215.02 (16) and 215.03, the same as an association in actual operation.

(6) **RESUMPTION OF BUSINESS.** A stock association in liquidation may resume business with the approval of the division upon conditions approved by the division.

(7) **DISPOSITION OF FUNDS.** (a) Unclaimed liquidating dividends and all funds remaining unpaid in the hands of the association or its board at or immediately prior to the date of final distribution, together with all final liquidating costs, shall be delivered to the division to be deposited in one or more state banks, state savings banks or state-chartered savings and loan associations, to the credit of the division, in trust for the various stockholders, owners of savings accounts or creditors entitled thereto. The division shall include in the annual report under s. 215.02 (11) the names of the associations so liquidated and the sums of unclaimed and unpaid liquidating dividends and unclaimed funds with respect to each of them respectively, including a statement of interest or dividends earned upon such funds.

(b) The division may:
1. Pay the moneys so held to the persons respectively entitled thereto, upon being furnished satisfactory evidence of their right to the same.
2. In case of doubt or conflicting claims, require an order of the circuit court authorizing and directing the payment of such moneys.
3. Apply the interest and dividends earned by the moneys so held toward defraying the expenses of the division.

(8) **RESERVED AUTHORITY.** This section does not prohibit the division from proceeding against any association as provided in s. 215.32.

**History:** 1975 c. 359, 421; 1983 a. 167, 524; 1991 a. 221; 1995 a. 27.

**CROSS REFERENCE:** See ch. 177 for disposition of unclaimed funds.

215.77 **Jurisdictional conversion of capital stock associations.** (1) **PROCEDURE TO EFFECT CONVERSION.** A state-chartered stock association may convert itself into a federal association, and any federal stock association may convert itself into a state-chartered association, as follows:

(a) A meeting of the stockholders shall be held upon not less than 10 days' written notice to each stockholder, served either personally or by mail to the last-known post-office address. The notice shall state the time, place and purpose of such meeting.

(b) At such meeting, the stockholders may by the affirmative vote, in person or by proxy, of not less than two-thirds of the outstanding capital stock of the association the stockholders may by resolution declare to convert the association into a federal association, or in the case of a federal stock association into a state-chartered association. A copy of the minutes of the meeting, verified by the affidavit of the chairperson and the secretary of the meeting, shall be filed with the division within 10 days after the meeting.

(c) If the stockholders vote to convert the association, the secretary shall, within 30 days after such meeting serve notice on all stockholders and savers of the association, either personally or by mail directed to them at their last-known post-office addresses. Within 30 days after service of the notice, any saver in the associa-
tion may notify the association in writing that the saver desires to withdraw savings accounts. Each saver so notifying the association shall be entitled to the withdrawal value of the savings accounts, less any amount due the association.

(d) 1. Within 6 months after the adjournment of a meeting to convert into a federal association, the association shall do what is necessary to make it a federal association. Within 10 days after receipt of the federal charter, the association shall file with the division a copy of the federal charter, certified by the deposit insurance corporation. Upon such filing the association shall cease to be a state-chartered association and shall thereafter be a federal association.

2. Within 6 months after the adjournment of a meeting of the stockholders of a federal stock association called for the purpose of converting the association into a state-chartered association, the division shall examine such association and shall determine the action necessary to qualify the converting federal stock association for a state charter. Upon complying with the necessary requirements, a state charter shall be issued to such association.

(2) When state supervision ceases. When conversion from a state-chartered stock association to a federal association becomes effective, the association shall cease to be supervised by this state.

(3) Corporate existence of association does not terminate upon conversion. Upon conversion of any state-chartered stock association into a federal association or vice versa, the corporate existence of the converting association shall not terminate, and the resulting association shall be a continuance of the converting association. All of the property and rights of the converted association shall by operation of law vest in the resulting association as of the time of conversion, and all of its obligations become those of the resulting association. Actions and other judicial proceedings to which the converting association is a party may be prosecuted and defended as if the conversion had not been made.

(4) Approval required before conversion becomes effective. Before any conversion under this section is final and in effect, the written approval of the division must be secured by the converting association.

History: 1975 c. 359, 421; 1993 a. 184; 1995 a. 27, 104.