CHAPTER 222
UNIVERSAL BANKS

SUBCHAPTER I
GENERAL PROVISIONS

222.0101 Title. This chapter may be cited as the “Wisconsin universal bank law.”

222.0102 Definitions. In this chapter:

1. “Capital” of a universal bank means the sum of the following, less the amount of intangible assets that is not considered to be qualifying capital by a deposit insurance corporation or the division:

   a. For a universal bank organized as a stock organization, the universal bank’s capital stock, preferred stock, undivided profits, surplus, outstanding notes and debentures approved by the division, other forms of capital designated as capital by the division, and other forms of capital considered to be qualifying capital of the universal bank by a deposit insurance corporation.

   b. For a universal bank organized as a mutual organization, the universal bank’s net worth, undivided profits, surplus, outstanding notes and debentures approved by the division, other forms of capital designated as capital by the division, and other forms of capital considered to be qualifying capital by a deposit insurance corporation.

   (2) “Deposit insurance corporation” means the Federal Deposit Insurance Corporation or other instrumentality of, or corporation chartered by, the United States that insures deposits of financial institutions and that is supported by the full faith and credit of the U.S. government as stated in a congressional resolution.

   (3) “Division” means the division of banking.

   (4) “Financial institution” means a savings bank organized under ch. 214, savings and loan association organized under ch. 215, or bank chartered under ch. 221.

   (5) “Universal bank” means a financial institution that has been issued a certificate of authority under s. 222.0205.

   (6) “Well-capitalized” has the meaning given in 12 USC 1831o (b) (1) (A).

222.0103 Applicability. (1) SAVINGS BANKS. A universal bank that is a savings bank organized under ch. 214 remains subject to all of the requirements, duties, and liabilities, and may exercise all of the powers, of a savings bank, except that, in the event of a conflict between this chapter and those requirements, duties, liabilities, or powers, this chapter shall control.

   (2) SAVINGS AND LOAN ASSOCIATIONS. A universal bank that is a savings and loan association organized under ch. 215 remains subject to all of the requirements, duties, and liabilities, and may exercise all of the powers, of a savings and loan association, except that, in the event of a conflict between this chapter and those requirements, duties, liabilities, or powers, this chapter shall control.

   (3) BANKS. A universal bank that is a bank chartered under ch. 221 remains subject to all of the requirements, duties, and liabilities, and may exercise all of the powers, of a bank, except that, in the event of a conflict between this chapter and those requirements, duties, liabilities, or powers, this chapter shall control.

222.0201 Procedure. (1) APPLICATION. A financial institution may apply to become certified as a universal bank by filing a written application with the division. The application shall include all information required by the division. The application shall be on the forms and in accordance with the procedures prescribed by the division.

   (2) REVIEW BY DIVISION. An application submitted by a financial institution under sub. (1) shall either be approved or disapproved by the division, in writing, within 60 days after the date on which application is filed with the division. The division and the financial institution may mutually agree to extend the application period for an additional period of 60 days. The division shall...
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approve an application if all of the applicable requirements under s. 222.0203 (1) are met.
History: 2003 a. 63.

222.0203 Eligibility. (1) REQUIREMENTS. The division may approve an application from a financial institution for certification as a universal bank only if all of the following requirements are met:

(a) The financial institution has been in existence and continuous operation for a minimum of 3 years before the date of the application.

(b) The financial institution is well-capitalized.

(c) The financial institution does not exhibit a combination of financial, managerial, operational, and compliance weaknesses that is moderately severe or unsatisfactory, as determined by the division based upon the division’s assessment of the financial institution’s capital adequacy, asset quality, management capability, earnings quantity and quality, adequacy of liquidity, and sensitivity to market risk.

(d) During the 12–month period before the date of the application, the financial institution has not been the subject of an enforcement action, and there is no enforcement action pending against the financial institution by any state or federal financial institution regulatory agency, including the division.

(e) The most current evaluation prepared under 12 USC 2906 that the financial institution has received rates the financial institution as “outstanding” or “satisfactory” in helping to meet the credit needs of its entire community, including low–income and moderate–income neighborhoods, consistent with the safe and sound operation of the financial institution.

(f) If the financial institution has received from its federal functional regulator, as defined in 15 USC 6809 (2), a consumer compliance examination that contains information regarding the financial institution’s compliance with 15 USC 6801 to 6803 and any applicable regulations prescribed under 15 USC 6804, the most recent such examination indicates, in the opinion of the division, that the financial institution is in substantial compliance with those statutes or regulations.

(2) FAILURE TO MAINTAIN ELIGIBILITY. LIMITATION OF AUTHORITY AND DECERTIFICATION. For any period during which a universal bank fails to meet the requirements under sub. (1), the division shall limit or restrict the exercise of the powers of the universal bank under this chapter. In addition to or in lieu of limiting or restricting the universal bank’s authority under this subsection, the division may by order revoke the universal bank’s certificate of authority issued under s. 222.0205.

History: 2003 a. 63.

222.0205 Certificate of authority. Upon approval of an application for certification as a universal bank, the division shall issue to the applicant a certificate of authority stating that the financial institution is certified as a universal bank under this chapter.

History: 2003 a. 63.

222.0207 Voluntary termination of certification. A financial institution that is certified as a universal bank under this chapter may elect to terminate its certification by giving 60 days’ prior written notice of the termination to the division. A termination under this section is effective only with the written approval of the division. A financial institution shall, as a precondition to termination under this section, terminate its exercise of all powers granted under this chapter before the termination of the certification. The division’s written approval of a financial institution’s termination under this section is void if the financial institution fails to satisfy the precondition to termination under this section.

History: 2003 a. 63.

222.0301 Articles of incorporation and bylaws. A universal bank shall continue to operate under its articles of incorporation and bylaws as in effect prior to certification as a universal bank or as such articles or bylaws may be subsequently amended in accordance with the provisions of the chapter under which the universal bank was organized or chartered.

History: 2003 a. 63.

222.0303 Name. (1) USE OF “BANK.” Notwithstanding ss. 214.035, 215.40 (1) (c), and 215.60 (1) (c) and subject to subs. (2) and (3) (b), a universal bank may use the word “bank” in its name, without having to include the word “savings.” Notwithstanding ss. 215.40 (1) (a) and 215.60 (1) (a) and subject to subs. (2) and (3) (b), a universal bank that is organized under ch. 215 and that uses the word “bank” in its name in accordance with this section need not include the words “savings and loan association” or “savings association” in its name.

(2) DISTINGUISHABILITY. Except as provided in sub. (3), the name of the universal bank shall be distinguishable upon the records of the division from all of the following names:

(a) The name of every other financial institution organized under the laws of this state.

(b) The name of every national bank or foreign bank authorized to transact business in this state.

(3) EXCEPTIONS. (a) A universal bank may apply to the division for authority to use a name that does not meet the requirements under sub. (2). The division may authorize the use of the name if any of the conditions under s. 221.0403 (2) (a) or (b) is met.

(b) A universal bank may use a name that is used in this state by another financial institution or by an institution authorized to transact business in this state, if the universal bank has done any of the following:

1. Merged with the other institution.
2. Been formed by reorganization of the other institution.
3. Acquired all or substantially all of the assets, including the name, of the other institution.

History: 2003 a. 63.

222.0305 Capital and assets. (1) CAPITAL REQUIREMENTS. Notwithstanding subch. VI of ch. 214 and ss. 215.24 and 221.0205, the division shall determine the minimum capital requirements of universal banks.

(2) CERTAIN ASSET REQUIREMENTS. Section 214.045 does not apply to universal banks.

History: 2003 a. 63.

222.0307 Acquisitions, mergers, and asset purchases. (1) IN GENERAL. A universal bank may, with the approval of the division, purchase the assets of, merge with, acquire, or be acquired by any other financial institution, universal bank, national bank, or federally chartered savings bank or savings and loan association, or by a holding company of any of these entities. Notwithstanding subch. III of ch. 214 and ss. 214.09 and 215.36, the approval of the division of savings institutions is not required.

(2) APPLICATIONS FOR APPROVAL. An application for approval under sub. (1) shall be submitted on a form prescribed by the division and accompanied by a fee determined by the division. In processing and acting on applications under this section the division shall apply the following standards:
For universal banks organized under ch. 214, the standards described in ss. 214.09, 214.62 to 214.64, and 214.665, and subch. III of ch. 214.

(b) For universal banks organized under ch. 215, the standards described in ss. 215.35, 215.36, 215.53, and 215.73.

(c) For universal banks chartered under ch. 221, the standards described in subchs. VII and IX of ch. 221.

History: 2003 a. 63.

SUBCHAPTER IV

POWERS

222.0401 Federal financial institution powers. (1) In general. (a) Powers exercised by universal bank. Subject to any applicable requirements of sub. (2), a universal bank may exercise any power that may be directly exercised by a federally chartered savings bank, a federally chartered savings and loan association, or a federally chartered national bank.

(b) Powers exercised by subsidiary of universal bank. Subject to any applicable requirements of sub. (2), a universal bank, through a subsidiary, may exercise any power that a federally chartered savings bank, a federally chartered savings and loan association, or a federally chartered national bank may exercise through a subsidiary.

(2) Approval required for exercise of federal power. Except as otherwise provided in this subsection, a universal bank shall file with the division a written request to exercise a power under sub. (1). The division shall determine whether the requested power is permitted under sub. (1). Within 60 days after receiving a request under this subsection, the division shall approve the request, if the power is permitted under sub. (1), or shall disapprove the request if the power is not permitted under sub. (1). The division and the universal bank may mutually agree to extend this 60-day period for an additional period of 60 days. The division shall periodically publish, in the Wisconsin administrative register, a list of all powers approved under this subsection and, upon publication, shall mail a copy of the list to all universal banks. A universal bank need not request the permission of the division under this subsection to exercise any power described in the most current list published under this subsection.

(3) Exercise of federal powers through a subsidiary. The division may require that certain powers exercisable by a universal bank under sub. (1) (a) be exercised through a subsidiary of the universal bank with appropriate safeguards to limit the risk exposure of the universal bank.

History: 2003 a. 63.

222.0403 Loan powers. (1) Permitted purposes. A universal bank may make, sell, purchase, arrange, participate in, invest in, or otherwise deal in loans or extensions of credit for any purpose.

(2) In general. (a) Percentage limitation. Except as provided in subs. (3) to (8), the total liabilities of any person, other than a municipal corporation, to a universal bank for a loan or extension of credit may not exceed 20 percent of the universal bank’s capital at any time.

(b) Partnership liabilities. In determining compliance with this section, liabilities of a partnership include the liabilities of the general partners, computed individually as to each general partner on the basis of his or her direct liability.

(3) Increased limit for certain secured liabilities. The total liabilities of any person, other than a municipal corporation, to a universal bank for a loan or extension of credit may not exceed 50 percent of the universal bank’s capital at any time, if the liabilities consist entirely of any of the following types of liabilities:

(a) Warehouse receipts. A liability secured by warehouse receipts issued by warehouse keepers who are licensed and bonded in this state under ss. 99.02 and 99.03 or under the federal Bonded Warehouse Act or who are licensed under s. 126.26, if all of the following requirements are met:

1. The receipts cover readily marketable nonperishable staples.
2. The staples are insured, if it is customary to insure the staples.
3. The market value of the staples is not, at any time, less than 140 percent of the face amount of the obligation.

(b) Certain bonds or notes. A liability in the form of a note or bond that meets any of the following qualifications:

1. The note or bond is secured by less than a like amount of bonds or notes of the United States issued since April 24, 1917, or certificates of indebtedness of the United States.
2. The note or bond is secured or covered by guarantees or by commitments or agreements to take over, or to purchase, the bonds or notes, and the guarantee, commitment, or agreement is made by a federal reserve bank, the federal small business administration, the federal department of defense, or the federal maritime commission.
3. The note or bond is secured by mortgages or trust deeds insured by the federal housing administration.

(4) Obligations of local governmental units. (a) Definition. In this subsection, “local governmental unit” has the meaning given in s. 16.97 (7).

(b) General limitation. Except as otherwise provided in this subsection, the total liabilities of a local governmental unit to a universal bank for money borrowed may not, at any time, exceed 25 percent of the capital of the universal bank.

(c) Revenue obligations. Liabilities in the form of revenue obligations of a local governmental unit are subject to the limitations provided in par. (b). In addition, a universal bank may invest in a general obligation of that local governmental unit in an amount that will bring the combined total of the general obligations and revenue obligations of a single local governmental unit to a sum not in excess of 50 percent of the capital of the universal bank.

(d) General obligations. If the liabilities of the local governmental unit are in the form of bonds, notes, or other evidences of indebtedness that are a general obligation of a local governmental unit, the total liability of the local governmental unit may not exceed 50 percent of the capital of the universal bank.

(e) Temporary borrowings. The total amount of temporary borrowings of any local governmental unit maturing within one year after the date of issue may not exceed 60 percent of the capital of the universal bank. Temporary borrowings and longer-term general obligation borrowings of a single local governmental unit may be considered separately in determining compliance with this subsection.

(5) Obligations of certain international organizations; other foreign bonds. A universal bank may purchase bonds offered for sale by the International Bank for Reconstruction and Development and the Inter-American Development Bank or any other foreign bonds approved under rules established by the division. The aggregate investment in any of these bonds issued by a single issuer may not exceed 10 percent of the capital of the universal bank.

(6) Foreign national government bonds. A universal bank may purchase general obligation bonds issued by any foreign national government if the bonds are payable in United States funds. The aggregate investment in these foreign bonds may not exceed 3 percent of the capital of the universal bank, except that this limitation does not apply to bonds of the Canadian government and Canadian provinces that are payable in United States funds.

(7) Limits established by board. (a) When financial statements required. A universal bank may not make or renew a loan or loans, the aggregate total of which exceeds the level established by the board of directors without being supported by a signed
Universal Banks

222.0403

Investment powers. (1) Investment securities. Except as provided in subs. (3) to (8), a universal bank may purchase, sell, underwrite, and hold investment securities, consistent with safe and sound banking practices, up to 100 percent of the universal bank’s capital. A universal bank may not invest greater than 20 percent of the universal bank’s capital in the investment securities of one obligor or issuer. In this subsection, “investment securities” includes commercial paper, banker’s acceptances, marketable securities in the form of bonds, notes, debentures, and similar instruments that are regarded as investment securities.

(2) Equity securities. Except as provided in subs. (3) to (8), a universal bank may purchase, sell, underwrite, and hold equity securities, consistent with safe and sound banking practices, up to 20 percent of the universal bank’s capital or, if approved by the division in writing, a greater percentage of the universal bank’s capital.

(3) Housing activities. With the prior written consent of the division, a universal bank may invest in the initial purchase and development, or the purchase or commitment to purchase after completion, of home sites and housing for sale or rental, including projects for the reconstruction, rehabilitation, or rebuilding of residential properties to meet the minimum standards of health and occupancy prescribed for a local governmental unit, the provision of accommodations for retail stores, shops, and other community services that are reasonably incident to that housing, or the stock of a corporation that owns one or more of those projects and that is wholly owned by one or more financial institutions. The total investment in any one project may not exceed 15 percent of the universal bank’s capital, nor may the aggregate investment under this subsection exceed 50 percent of the universal bank’s capital. A universal bank may not make an investment under this subsection unless it is in compliance with the capital requirements set by the division under s. 222.0305 (1) and with the capital maintenance requirements of its deposit insurance corporation.

(4) Profit-participation projects. A universal bank may take equity positions in profit-participation projects, including projects funded through loans from the universal bank, in an aggregate amount not to exceed 20 percent of the universal bank’s capital. The division may suspend the investment authority under this subsection. If the division suspends the investment authority under this subsection, the division may specify how outstanding investments under this subsection shall be treated by the universal bank or its subsidiary. Among the factors that the division may consider in suspending authority under this subsection are the universal bank’s capital adequacy, asset quality, earnings quantity, earnings quality, adequacy of liquidity, sensitivity to market risk, and the ability of the universal bank’s management.

(5) Debt investments. A universal bank may invest in bonds, notes, obligations, and liabilities described under s. 222.0403 (3) to (7), subject to the limitations under those subsections.

(6) Certain liabilities. This section does not limit investment in the liabilities described in s. 222.0403 (8).

(7) Certain investments. A universal bank may invest without limitation in any of the following:

(a) Business development corporations. Stocks or obligations of a corporation organized for business development by this state.
or by the United States or by an agency of this state or the United States.

(b) Urban renewal investment corporations. Obligations of an urban renewal investment corporation organized under the laws of this state or of the United States.

(c) Certain bank insurance companies. An equity interest in an insurance company or an insurance holding company organized to provide insurance for universal banks and for persons affiliated with universal banks, solely to the extent that this ownership is a prerequisite to obtaining directors' and officers' insurance or blanket bond insurance for the universal bank through the company.

(d) Certain remote service unit corporations. Shares of stock, whether purchased or otherwise acquired, in a corporation acquiring, placing, and operating remote service units under s. 214.04 (21) or 215.13 (46) or bank communications terminals under s. 221.0303 (2).

(e) Service corporations. Equity or debt securities or instruments of a service corporation subsidiary of the universal bank.


(g) Certain risk management financial products. With the prior written approval of the division, financial futures transactions, financial options transactions, forward commitments, or other financial products for the purpose of reducing, hedging, or otherwise managing its interest rate risk exposure.

(h) Certain fiduciaries. A subsidiary organized to exercise corporate fiduciary powers under ch. 112.

(i) Agricultural credit corporations. An agricultural credit corporation, except that if the universal bank owns less than 80 percent of the stock of the agricultural credit corporation, the universal bank may not invest more than 20 percent of the universal bank's capital in the agricultural credit corporation.

(j) Deposit accounts and insured obligations. Deposit accounts or insured obligations of any financial institution, the accounts of which are insured by a deposit insurance corporation.

(k) Certain federal obligations. Obligations of, or obligations that are fully guaranteed by, the United States and stocks or obligations of any federal reserve bank, federal home loan bank, the Student Loan Marketing Association, the Government National Mortgage Association, the Federal National Mortgage Corporation, the Federal Home Loan Mortgage Corporation, or the Federal Deposit Insurance Corporation.

(L) Other investments. Any other investment authorized by the division.

8 INVESTMENTS IN OTHER FINANCIAL INSTITUTIONS. In addition to the authority granted under ss. 222.0307 and 222.0409, and subject to the limitations of sub. (2), a universal bank may invest in other financial institutions.

9 INVESTMENTS THROUGH SUBSIDIARIES. A universal bank may make investments under this section, directly or indirectly through a subsidiary, unless the division determines that an investment shall be made through a subsidiary with appropriate safeguards to limit the risk exposure of the universal bank.

222.0407 Universal bank purchase of its own stock. (1) In general. A universal bank may hold or purchase not more than 10 percent of its capital stock, notes, or debentures, except as provided in sub. (2) or (3).

(2) Division approval. A universal bank may hold or purchase more than 10 percent of its capital stock, notes, or debentures, if approved by the division.

(3) Additional authority. A universal bank may hold or purchase more than 10 percent of its capital stock, notes, or debentures if the purchase is necessary to prevent loss upon a debt previously contracted in good faith. Stock, notes, or debentures held or purchased under this subsection may not be held by the universal bank for more than 6 months if the stock, notes, or debentures can be sold for the amount of the claim of the universal bank against the holder of the debt previously contracted. The universal bank shall either sell the stock, notes, or debentures within 12 months of acquisition under this subsection or shall cancel the stock, notes, or debentures. Cancellation of the stock, notes, or debentures reduces the amount of the universal bank's capital stock, notes, or debentures. If the reduction reduces the universal bank's capital below the minimum level required by the division, the universal bank shall increase its capital to the amount required by the division.

4 LOANS SECURED BY CAPITAL, SURPLUS, OR DEPOSITS. A universal bank may not loan any part of its capital, surplus, or deposits on its own capital stock, notes, or debentures as collateral security, except that a universal bank may make a loan secured by its own capital stock, notes, or debentures to the same extent that the universal bank may make a loan secured by the capital stock, notes, and debentures of a holding company for the universal bank.

History: 2003 a. 63.

222.0409 Stock in bank-owned banks. With the approval of the division, a universal bank may acquire and hold stock in one or more banks chartered under s. 221.1202 or national banks chartered under 12 USC 27 (b) or in one or more holding companies wholly owning such a bank. Aggregate investments under this section may not exceed 10 percent of the universal bank’s capital.

History: 2003 a. 63.

222.0411 General deposit powers. (1) In general. A universal bank may set eligibility requirements for, and establish the types and terms of, deposits that the universal bank solicits and accepts. The terms set under this subsection may include minimum and maximum amounts that the universal bank may accept and the frequency and computation method of paying interest.

(2) PLEDGE OF SECURITY FOR DEPOSITS. Subject to the limitations of s. 221.0309 that are applicable to banks, a universal bank may pledge its assets as security for deposits.

(3) SECURITIZATION OF ASSETS. With the approval of the division, a universal bank may securitize its assets for sale to the public. The division may establish procedures governing the exercise of authority granted under this subsection.

4 SAFE DEPOSIT POWERS. A universal bank may take and receive, from any individual or corporation for safekeeping and storage, gold and silver plate, jewelry, money, stocks, securities, and other valuable personal property, and may rent out the use of safes or other receptacles upon its premises for such compensation as may be agreed upon. A universal bank has a lien for its charges on any property taken or received by it for safekeeping. If the lien is not paid within 2 years from the date the lien accrues, or if property is not called for by the person depositing the property, or by his or her representative or assignee, within 2 years from the date the lien accrues, the universal bank may sell the property at public auction. A universal bank shall provide the same notice for a sale under this subsection that is required by law for sales of personal property on execution. After retaining from the proceeds of the sale all of the liens and charges due the bank and the reasonable expenses of the sale, the universal bank shall pay the balance to the person depositing the property, or to his or her representative or assignee.

History: 2003 a. 63.

222.0413 Necessary or convenient powers, reasonably related or incidental activities, and other approved activities. (1) NECESSARY OR CONVENIENT POWERS. Unless otherwise prohibited or limited by this chapter, a universal bank may exercise all powers necessary or convenient to effect the purposes for which the universal bank is organized or to further the businesses in which the universal bank is lawfully engaged.

(2) REASONABLY RELATED AND INCIDENTAL ACTIVITIES. (a) Subject to any applicable state or federal regulatory or licensing requirements, a universal bank may engage, directly or indirectly through a subsidiary, in activities reasonably related or incidental to
the purposes of the universal bank. Activities reasonably related or incident to the purposes of the universal bank are those activities that are part of the business of financial institutions, or closely related to the business of financial institutions, or convenient and useful to the business of financial institutions, or reasonably related or incident to the operation of financial institutions, or financial in nature. Activities that are reasonably related or incident to the purposes of a universal bank include the following:

1. Business and professional services.
2. Data processing.
3. Courier and messenger services.
4. Credit-related activities.
5. Consumer services.
6. Real estate-related services, including real estate brokerage services.
7. Insurance and related services, other than insurance underwriting.
8. Securities brokerage.
9. Investment advice.
10. Securities and bond underwriting.
11. Mutual fund activities.
14. Community development and charitable activities.
15. Debt cancellation contracts.
16. Any activities that are reasonably related or incident to activities under subs. 1. to 15., as determined by the division.

(b) An activity that is authorized by statute or regulation for financial institutions to engage in as of February 1, 2004, is an activity that is reasonably related or incident to the purposes of a universal bank. An activity permitted under the Bank Holding Company Act is an activity that is reasonably related or incident to the purposes of a universal bank. The division may expand the list of activities under par. (a) 1. to 15. that are reasonably related or incident to the purposes of a universal bank. Any activity approved by the division under this paragraph shall be authorized for all universal banks.

(3) NOTICE REQUIREMENT. A universal bank shall give 60 days’ prior written notice to the division of the universal bank’s intention to engage in an activity under this section.

(4) STANDARDS FOR DENIAL. The division may deny the authority of a universal bank to engage in an activity under this section, other than those activities described in sub. (2) (a) 1. to 15., if the division determines that the activity is not an activity reasonably related or incident to the purposes of a universal bank. The division may deny the authority of a universal bank to engage in an activity under this section if the division determines that the universal bank is not well-capitalized, that the universal bank is the subject of an enforcement action, or that the universal bank does not have satisfactory management expertise for the proposed activity.

(5) INSURANCE INTERMEDIATION. A universal bank, or an officer or salaried employee of a universal bank, may obtain a license as an insurance intermediary, if otherwise qualified. A universal bank may not, directly or indirectly through a subsidiary, engage in the business of underwriting insurance.

(6) OTHER ACTIVITIES APPROVED BY THE DIVISION. A universal bank may engage in any other activity that is approved by rule of the division.

(7) ACTIVITIES PROVIDED THROUGH A SUBSIDIARY. A universal bank may engage in an activity under this section, directly or indirectly through a subsidiary, unless the division determines that the activity must be conducted through a subsidiary with appropriate safeguards to limit the risk exposure of the universal bank.

(8) LIMITATIONS ON INVESTMENTS THROUGH SUBSIDIARIES. The amount of the investment in any one subsidiary that engages in an activity under this section may not exceed 20 percent of a universal bank’s capital or, if approved by the division, a higher percentage. The aggregate investment in all subsidiaries that engage in an activity under this section may not exceed 50 percent of a universal bank’s capital or, if approved by the division, a higher percentage.

(9) OWNERSHIP OF SUBSIDIARIES. A subsidiary that engages in an activity under this section may be owned jointly, with one or more other financial institutions, individuals, or entities.

History: 2003 a. 63.