### BUSINESS DEVELOPMENT CREDIT CORPORATIONS

**Incorporators.** Five or more natural persons of the age of 18 years or more may act as incorporators by signing, acknowledging and filing articles of incorporation for such corporation.  

**History:** 1971 c. 213 s. 5; 1981 c. 337.

**Purposes.** The corporate powers of any such corporation shall be exercised by a board of directors. The number of directors and their term of office shall be determined in a manner prescribed in the bylaws. At no time shall there be less than 5 directors. The initial board of directors shall consist of the incorporators and they shall serve until the first annual meeting. The first annual meeting shall occur at a date to be fixed by the board of directors as soon as reasonably possible after a minimum of 25 percent of the capital stock of the corporation is paid into its treasury and a minimum of 10 stockholder members of the corporation have qualified as provided in s. 225.05; and such annual meeting and subsequent annual meetings shall be called and the directors shall be elected in the manner provided in the bylaws.  

**History:** 2009 a. 177.

**Directors.** The corporate powers of any such corporation shall be exercised by a board of directors. The number of directors and their term of office shall be determined in a manner prescribed in the bylaws. At no time shall there be less than 5 directors. The initial board of directors shall consist of the incorporators and they shall serve until the first annual meeting. The first annual meeting shall occur at a date to be fixed by the board of directors as soon as reasonably possible after a minimum of 25 percent of the capital stock of the corporation is paid into its treasury and a minimum of 10 stockholder members of the corporation have qualified as provided in s. 225.05; and such annual meeting and subsequent annual meetings shall be called and the directors shall be elected in the manner provided in the bylaws.  

**History:** 2009 a. 177.

**Members; limitation and apportionment of loans by members; withdrawal.** There shall be 2 classes of members in the corporation with voting rights specified in the articles of incorporation.  

1. Stockholder members include individuals, corporations and organizations who qualify by the purchase of common stock.  
2. Nonstockholder members include banks, savings banks, savings and loan associations, trust companies and insurers who qualify by making application to lend funds to the corporation upon call.  
   a. Each nonstockholder member shall establish a line of credit to the corporation as determined in the articles of incorporation.  
   b. All calls of funds which nonstockholder members are committed to lend to the corporation shall be prorated by the corporation among the nonstockholder members in the same proportion that the individual lines of credit bear to the aggregate line of credit.  
   c. Upon written notice given 60 days in advance, a nonstockholder member of the corporation may withdraw from such membership at the expiration date of such notice and after said expiration date shall cease to exercise any of the powers and privileges incidental to such membership and shall be free of any obligations in connection therewith except those obligations which have accrued or for which commitments have been made before said expiration date.  
   d. Nonstockholder members do not assume any liability for the debts of the corporation.  
   e. Nonstockholder members shall not share in any surplus of the corporation in excess of the obligations due such nonstockholder members.  
   f. Upon dissolution of a corporation organized under this chapter, obligations due the nonstockholder members are to be paid in full before any payments are made to the stockholder members.  

**History:** 1971 c. 213 s. 5; 1981 c. 337; 1991 a. 221.
225.06 **Finance.** Any such corporation shall set apart as a surplus not less than 10 percent of its net earnings each year until such surplus, with any unimpaired surplus paid in, shall amount to one-half of the capital stock. The surplus shall be kept to secure against losses and contingencies, and whenever it becomes impaired it shall be reimbursed in the manner provided for its accumulation.  
**History:** 2009 a. 177.

225.07 **Loans.** The corporation shall lend money only when credit is not elsewhere readily available. Before granting any loan, the board of directors or a committee thereof shall endeavor, so far as is reasonably possible, to ascertain that the first opportunity to grant such loan has been given to lending institutions which may desire such loans generally in the course of their business.

225.08 **Application of chapter 180.** The provisions of ch. 180 shall apply to corporations incorporated under this chapter, insofar as they may be applicable and not inconsistent with this chapter.

225.09 **Legal investments.** Notwithstanding any other statute, the notes or other interest-bearing obligations of any corporation organized under this chapter, issued in accordance with this chapter and the articles of incorporation and bylaws of the corporation shall be legal investments for the banks, savings banks, savings and loan associations and trust companies who become members of the corporation.  
**History:** 1979 c. 279; 1991 a. 221.