



State of Wisconsin  
Department of Financial Institutions

Tony Evers, Governor

Kathy Blumenfeld, Secretary

October 21, 2019

Patrick E. Fuller  
Assembly Chief Clerk  
17 West Main Street  
Room 401  
Madison, WI 53703



Jeff Renk  
Senate Chief Clerk  
B20 SE Capitol Building  
Madison, WI 53703

Re: Germane Modifications to Clearinghouse Rule 17-063

Dear Chief Clerks:

On behalf of the Department of Financial Institutions' Office of Credit Unions, enclosed pursuant to s. 227.19(4)(b)4, Stats. is a revised Rule Report to the Legislature regarding Clearinghouse Rule 17-063. The prior version of the rule (the "Broad Version"), last submitted to your offices on August 23, 2018, is hereby recalled.

**Reasons for the revisions.** The Broad Version would have repealed and recreated the entirety of Wis. Admin. Code ch. DFI-CU 72 (entitled "Member Business Loans"). Subsequent to legislative review of the Broad Version—but before final publication and promulgation—the National Credit Union Administration (NCUA) raised objections to certain provisions within it.<sup>1</sup> The Office of Credit Unions strongly disagreed with those objections. But after consulting with the Credit Union Review Board and relevant trade associations, the Office of Credit Unions has concluded that the primary benefits of the Broad Version can still be attained—and a state-federal legal dispute can be avoided—by substantially narrowing its scope to eliminate the basis for the NCUA's objections.

**Germane nature of the revisions.** The enclosed revised Rule Report reflects that more modest scope. Rather than repealing and recreating ch. DFI-CU 72 in its entirety, the revised version of the rule (the "Narrow Version") seeks only to repeal and recreate one section within that chapter: section 72.02, which defines what does (and does not) count as a "member business loan."

<sup>1</sup> The NCUA is a federal agency that regulates federally chartered credit unions and insures member deposits for state-chartered credit unions. The NCUA reviews state rules on member business lending to determine whether to exempt state-chartered credit unions from compliance with parallel federal rules. 12 C.F.R. § 723.10.



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These modifications are germane within the meaning of Wis. Stat. § 227.19(4)(b)4, because this Narrow Version of the rule does not add any substantive text that was not previously included in the Broad Version. In fact, the text of the Narrow Version is taken directly from two definitional provisions of the Broad Version—namely DFI-CU § 72.01(14) (defining a member business loan as a “commercial loan,” and listing exceptions) and DFI-CU § 72.01(3) (defining a commercial loan, and listing exceptions).<sup>2</sup> Thus, under either version, the same language would govern the question of whether a given loan is considered a member business loan. The Narrow Version adds no new language to the Broad Version of the rule that was previously submitted for legislative review.

It subtracts much of the language that was included in that Broad Version, of course. (After all, the Broad Version proposed the repeal and re-creation of the entire administrative rules chapter on member business loans, while the Narrow Version proposes only to repeal and re-create a single section of that chapter.) But subtractions are considered germane modifications under Wisconsin law, regardless of their extent. *See* Wis. Stat. § 227.19(4)(b)4 (an agency proposal to “delete part of a proposed rule” is “treated as a germane modification of the proposed rule”). *Cf.* Wis. Stat. § 227.19(4)(b)3 (same). Therefore, this revised rule is appropriate for review pursuant to Wis. Stat. § 227.19(4)(b)4.

Thank you for your time on this rulemaking process, and please do not hesitate to contact me with any questions or concerns.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Matthew Lynch', with a long horizontal flourish extending to the right.

Matthew Lynch  
Chief Legal Counsel

encl

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<sup>2</sup> The Narrow Version also deletes the Broad Version’s DFI-CU § 72.01(14)(b)3, which was redundant of DFI-CU § 72.01(3)(b)5, and abbreviates a reference in DFI-CU § 72.01(14)(a)2 from “used for a commercial, corporate or other business investment property or venture, or agricultural purpose” to “used for a purpose set forth in sub. (1).”

STATE OF WISCONSIN  
OFFICE OF CREDIT UNIONS

**RULE REPORT TO THE LEGISLATURE**

Commercial and Member Business Loans  
Chapter DFI-CU 72 / CR 17-063

**Attached:** Proposed rule, fiscal estimate and economic impact analysis and Clearinghouse report to agency.

**Governor's approval:** The governor approved this rule on March 23, 2018.

**Basis and purpose of the proposed rule:** The proposed rule repeals and recreates s. DFI-CU 72.02, Admin. Code, to reflect certain changes effective January 1, 2017 to the National Credit Union Administration's (NCUA's) member business loans and commercial lending rules, 12 C.F.R. Part 723—specifically, changes affecting what types of loans are (and are not) considered “member business loans.” Prior to the revision, the definition of a “member business loan” as set forth in s. DFI-CU 72.02 was substantially similar to the definition set forth in 12 C.F.R. Part 723. The proposed rule updates this definition to track the latest updates to its federal counterpart.

**Summary of comments, agency's response, and explanation of any modifications as a result of comments or testimony:**

1. Request to add the limited exception that is found in the NCUA's rule, which exempts certain small credit unions that rarely do business lending from having to implement commercial lending policies and hiring lending staff who meet certain experience requirements.

Response: At the outset of this rulemaking process, when the Office of Credit Unions (OCU) was proposing to repeal and recreate ch. DFI-CU 72 in its entirety, the OCU decided not to incorporate the requested limited exception because the OCU believes any credit union wishing to offer commercial loans or member business loans should have a policy in place and management approval. Subsequently, however, the National Credit Union Administration (NCUA)—which federally insures credit union deposits and reviews all state administrative rules—objected to certain provisions included within the recreated ch. DFI-CU 72. For that reason, the OCU withdrew the proposed changes except for two definitional provisions, which were combined as recreated s. DFI-CU 72.02. This comment does not concern those provisions, but rather proposed provisions that were subsequently withdrawn. Therefore, the comment is now moot.

2. Request to add to proposed s. 72.09(2)(c) the examples in current s. 72.15(3) regarding documentation the OCU will consider for an exemption.

Response: At the outset of this rulemaking process, when the OCU was proposing to repeal and recreate ch. DFI-CU 72 in its entirety, the OCU agreed and included the examples in the current rule into the proposed rule. Subsequently, however, the NCUA objected to certain provisions included within the recreated ch. DFI-CU 72. For that reason, the OCU withdrew the proposed changes except for two definitional provisions, which were combined as recreated s.

DFI-CU 72.02. This comment does not concern those provisions, but rather proposed provisions that were subsequently withdrawn. Therefore, the comment is now moot.

3. Request that s. DFI-CU 72.05 be titled 'Commercial Loan Policy' in parity with the Federal rule and to clarify expectation of enhanced risk management practices for commercial loans as defined in the rule, distinct from non-commercial member business loans, such as loans secured by 1-4 family non-owner occupied residential properties.

Response: At the outset of this rulemaking process, when the OCU was proposing to repeal and recreate ch. DFI-CU 72 in its entirety, the OCU decided not to incorporate this request because the policy is in essence a commercial and member business loan policy. Subsequently, however, the NCUA objected to certain provisions included within the recreated ch. DFI-CU 72. For that reason, the OCU withdrew the proposed changes except for two definitional provisions, which were combined as recreated s. DFI-CU 72.02. This comment does not concern those provisions, but rather proposed provisions that were subsequently withdrawn. Therefore, the comment is now moot.

4. Request that s. DFI-CU 72.07(1) numerator be defined as total 'commercial loans' to one borrower or group of associated borrowers in parity with the federal rule and consistent with the commercial loan policy requirements.

Response: At the outset of this rulemaking process, when the OCU was proposing to repeal and recreate ch. DFI-CU 72 in its entirety, the agency agreed and replaced the reference to member business loans with commercial loans. Subsequently, however, the NCUA objected to certain provisions included within the recreated ch. DFI-CU 72. For that reason, the OCU withdrew the proposed changes except for two definitional provisions, which were combined as recreated s. DFI-CU 72.02. This comment does not concern those provisions, but rather proposed provisions that were subsequently withdrawn. Therefore, the comment is now moot.

**Persons appearing or registering for or against the rule at hearing:**

Speaking in favor: Brett Thompson, WI Credit Union League; Adam Newman, Landmark Credit Union; Jim Wynn, Westconsin Credit Union; and Derek Freis, Simplicity Credit Union

Speaking against: None

Speaking for information purposes only: None

Registering in favor, but not speaking: Chris Allen, Fox Communities Credit Union; Colleen Woggen, Oakdale Credit Union; Val Mindak, Park City Credit Union; Tim Hoff, Community First Credit Union; John Nygaard, Community First Credit Union; Mark Kennedy, Summit Credit Union; Steve Wilder, Covantage Credit Union

Registering against, but not speaking: Jon Turke, Wisconsin Bankers Association

Attending for information only: Jeff Blauer, Coop Credit Union; Jackson Burgau, Heartland Credit Union

Changes to analysis or fiscal estimate: None.

**Response to legislative council recommendations:** During the initial promulgation of this rule, when the OCU was proposing to repeal and recreate ch. DFI-CU 72 in its entirety, it adopted the recommendations in full. The provisions affected by those recommendations have since been withdrawn.

**Final regulatory flexibility analysis, changes to energy impact report, housing impact analysis, and response to any report prepared by the SBRRB:** n/a

## Clearinghouse Rule 17-063

### PROPOSED ORDER OF THE OFFICE OF CREDIT UNIONS REPEALING AND RECREATING RULES

The Wisconsin Office of Credit Unions proposes an order to repeal and recreate s. DFI—CU 72.02 relating to commercial and member business loans.

The scope statement for this rule, SS 108-16, was approved by the governor on November 8, 2016, published in Register No. 731A2 on November 14, 2016, approved by the director of the office of credit unions on November 30, 2016, and approved by the credit union review board on June 19, 2017.

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#### ANALYSIS

**1. Statutes interpreted:**

Sections 186.098 and 186.115, Stats.

**2. Statutory Authority:**

Sections 186.098(10), 186.115(2) and 186.235(8), Stats.

**3. Explanation of agency authority:**

Section 186.098(10), Stats., provides: "Loans to members secured by mortgages on real estate may be made subject to the rules prescribed by the office of credit unions."

Section 186.115(2), Stats., provides: "The activities, powers, products and services that may be undertaken, exercised or offered by credit unions ... are limited to those specified by rule of the office of credit unions."

Section 186.235(8), Stats., provides: "The office of credit unions shall, with the approval of the credit union review board, promulgate rules relating to the business of credit unions."

**4. Related statutes or rules:**

Section 186.098 authorizes a credit union to make loans to members.

Ch. DFI—CU 72, Admin. Code, sets forth requirements for a credit union to make member business loans.

**5. Plain language analysis:**

The proposed rule repeals and recreates s. DFI-CU 72.02, Admin. Code, to reflect certain changes effective January 1, 2017 to the National Credit Union Administration's (NCUA's) member

business loans and commercial lending rules, 12 C.F.R. Part 723—specifically, changes affecting what types of loans are (and are not) considered “member business loans.” Prior to the revision, the definition of a “member business loan” as set forth in s. DFI-CU 72.02 was substantially similar to the definition set forth in 12 C.F.R. Part 723. The proposed rule updates this definition to track the latest updates to its federal counterpart.

**6. Summary of, and comparison with, existing or proposed federal regulation:**

Existing federal regulations are contained in 12 C.F.R. Part 723; the specific definitions and exceptions at issue are set forth in 12 C.F.R. §§ 723.8(b) (defining a member business loan as a commercial loan, and listing exceptions) and 723.2 (defining a commercial loan, and listing exceptions). The federal rule applies to federally-chartered credit unions and to state-chartered credit unions in states that have adopted the federal rule. Wisconsin is one of seven states with a state-specific rule.

**7. Comparison with rules in adjacent states:**

Minnesota, Iowa and Michigan follow revised 12 C.F.R. Part 723, and therefore it is unnecessary for those states to enact separate state rules adopting 12 C.F.R. §§ 723.8(b) and 723.2. Illinois has adopted its own state rules, which track the relevant definitions of 12 C.F.R. §§ 723.8(b) and 723.2. See 38 Ill. Admin. Code §§ 190.165(b)(2), 190.165(h)(2).

**8. Summary of factual data and analytical methodologies:**

The office of credit unions reviewed the revisions to 12 C.F.R. Part 723. Proposed changes to ch. DFI-CU 72 are based on these revisions, as well as staff regulatory experience and multiple discussions with the Credit Union Review Board and industry groups.

**9. Analysis and supporting documents used to determine effect on small business:**

Small credit unions will not be impacted by the proposed rule. Relatively few state-chartered credit unions fall within the definition of a small business under s. 227.114(1), Stats., and those that do are not typically engaged in the kind of commercial lending addressed by the proposed rule. Further, the proposed rule is merely definitional; it does not require credit unions to assume any new duties with regard to member business loans.

**10. Anticipated costs incurred by private sector:**

The office of credit unions does not anticipate any costs will be incurred by the private sector.

**11. Effect on small business:**

The proposed rule will have little to no effect on small business.

**12. Agency contact person:**

Kim Santos, Director, Office of Credit Unions, PO Box 14137, Madison, WI 53708-0137. Telephone (608) 267-2608; e-mail [Kim.Santos@wisconsin.gov](mailto:Kim.Santos@wisconsin.gov).

**13. Place where comments are to be submitted and deadline for submission:**

Comments may be submitted to the contact person shown below no later than the date on which the public hearing on this proposed rule order is conducted. Information as to the place, date and time of the public hearing will be published in the Wisconsin Administrative Register.

By mail: Mark Schlei, Deputy Chief Legal Counsel, Department of Financial Institutions, PO Box 8861, Madison, WI 53708-8861.

By delivery: Mark Schlei, Deputy Chief Legal Counsel, Department of Financial Institutions, 201 W. Washington Avenue, Suite 500, Madison, WI 53703.

By e-mail: [DFIRulesComments@wisconsin.gov](mailto:DFIRulesComments@wisconsin.gov)

Via the department's website: <http://www.wdfi.org/statutes/ProposedRules.htm>

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**Rule Text**

**SECTION 1.** DFI-CU 72.02 is repealed and recreated to read:

**DFI-CU 72.02. Member business loan.** (1) "Member business loan" means a loan, line of credit, letter of credit including unfunded commitments, and any interest a credit union obtains in such loans made by another lender to individuals, sole proprietorships, partnerships, corporations or other business enterprises for commercial, industrial, agricultural or professional purposes.

(2) "Member business loan" does not include any of the following:

- (a) Loans for personal expenditure purposes.
- (b) Loans made by a corporate credit union.
- (c) Loans made by a federally insured credit union to another federally insured credit union.
- (d) Loans made by a credit union to a credit union service organization.
- (e) Loans secured by a one- to four-family residential property.
- (f) Loans fully secured by shares in the credit union making the extension of credit or deposits in other financial institutions.
- (g) Loans secured by a vehicle manufactured for household use, except that such loans will be considered member business loans if they will be used for a purpose set forth in sub. (1) and the outstanding aggregate net member business loan balance is \$50,000 or greater.
- (h) Business purpose loans that are equal to or less than \$50,000 after calculating the aggregate outstanding balances plus unfunded commitments less any portion secured by shares in the credit union held by the borrower or an associated borrower.



(i) Loans for which a federal or state agency fully insures repayment, fully guarantees repayment, or provides an advance commitment to purchase the loan in full.

(j) Any non-member business purpose loan or non-member participation interest in a business purpose loan made by another lender, provided the credit union acquired the loan or interest in compliance with all relevant laws and regulations and the credit union is not, in conjunction with another credit union, trading member business loans to circumvent the aggregate limit.

**SECTION 2. EFFECTIVE DATE.** This rule shall take effect on the first day of the sixth month following publication in the Wisconsin Administrative Register as provided in s. 227.22(2) (intro.), Stats.

Date: \_\_\_\_\_

By: \_\_\_\_\_

Kim Santos  
Director, Office of Credit Unions



## ADMINISTRATIVE RULES

### Fiscal Estimate & Economic Impact Analysis

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#### 13. Summary of Rule's Economic and Fiscal Impact on Specific Businesses, Business Sectors, Public Utility Rate Payers, Local Governmental Units and the State's Economy as a Whole (Include Implementation and Compliance Costs Expected to be Incurred)

Under Wisconsin's current MBL rule, before a credit union of any size can engage in MBL activity: (1) the credit union's board of directors must adopt a specific MBL policy (the policy must be reviewed at least annually); and (2) the MBL policy must include all items currently identified within s. DFI-CU 72.06. Credit unions of all size currently incur costs associated with the creation, annual review, and update of its MBL policy, as applicable. While it is anticipated that credit unions that engage in MBL lending will need to review and possibly update their current MBL policy to take advantage of the flexibilities offered under the proposed rule revisions, the Department's Office of Credit Unions believes this review will not have a significant impact on Wisconsin's state-chartered credit unions.

The Department's Office of Credit Unions also reviewed the proposed rule's impact on small credit unions. Pursuant to s. 227.114(1), Stats. a "small business" is defined to mean a business which is independently owned and operated and not dominate in its field, and which employs 25 or fewer full-time employees or which has a gross annual sales of less than \$5,000,000. While credit unions do not have gross annual sales, in the spirit of determining the economic impact of the proposed rule on small credit unions, the Department's Office of Credit Unions used "assets" in lieu of "gross annual sales" as the closest approximation to determine the effect on small businesses under s. 227.114(1), Stats. Relatively few Wisconsin federally-insured state-chartered credit unions fall within this definition of small business. Typically these credit unions have not and currently do not engage in the commercial lending anticipated by the proposed rule. Current ch. DFI-CU 72, and the proposed revisions to DFI-CU s. 72.02 apply to only those credit unions that engage in MBL lending.

The proposed rule will not have a significant impact on any other business sector, public utility rate payers, local government units or the Wisconsin's economy as a whole.

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#### 14. Benefits of Implementing the Rule and Alternative(s) to Implementing the Rule

The proposed rule would update the definition of "member business loans," providing greater flexibility to state-chartered credit unions engaged in commercial lending and keeping pace with federal law.

The current state MBL rule does not provide state-chartered credit unions the same flexibility as federally-chartered credit unions have under the federal MBL rule. If the rule is not revised, some state-chartered credit unions may seek to change charter to become federally-chartered so as to be governed by the federal MBL rule rather than by ch. DFI-CU 72.

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#### 15. Long Range Implications of Implementing the Rule

The long range implications are to keep Wisconsin's MBL rules consistent where appropriate with federal MBL rules so as to provide parity between federal- and state-chartered credit unions. This allows Wisconsin's state-chartered credit unions to remain competitive with federally-chartered credit unions.

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#### 16. Compare With Approaches Being Used by Federal Government

The National Credit Union Administration (NCUA) regulates federally-chartered credit unions. NCUA's commercial and member business loan (MBL) rule may be found at 12 C.F.R. Part 723. NCUA made revisions to its rule which became effective January 1, 2017. The proposed rule would update Wisconsin's rules to reflect definitional changes included in the update to the federal rule.

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#### 17. Compare With Approaches Being Used by Neighboring States (Illinois, Iowa, Michigan and Minnesota)

Illinois has a comparable rule as found at Ill. Admin Code title 38, s. 190.165. This rule gives Illinois state-chartered credit unions the authority to make member business loans (MBL). Illinois has recently adopted a rule to revise its MBL rule to reflect the recent changes in 12 C.F.R. 723. Iowa, Michigan and Minnesota follow revised 12 C.F.R. Part 723 and have not adopted a comparable state specific rule.

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**ADMINISTRATIVE RULES**  
**Fiscal Estimate & Economic Impact Analysis**

**ATTACHMENT A**

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1. Summary of Rule's Economic and Fiscal Impact on Small Businesses (Separately for each Small Business Sector, Include Implementation and Compliance Costs Expected to be Incurred)

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2. Summary of the data sources used to measure the Rule's impact on Small Businesses

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3. Did the agency consider the following methods to reduce the impact of the Rule on Small Businesses?

- Less Stringent Compliance or Reporting Requirements
  - Less Stringent Schedules or Deadlines for Compliance or Reporting
  - Consolidation or Simplification of Reporting Requirements
  - Establishment of performance standards in lieu of Design or Operational Standards
  - Exemption of Small Businesses from some or all requirements
  - Other, describe:
- 

4. Describe the methods incorporated into the Rule that will reduce its impact on Small Businesses

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5. Describe the Rule's Enforcement Provisions

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6. Did the Agency prepare a Cost Benefit Analysis (if Yes, attach to form)

- Yes    No
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## WISCONSIN LEGISLATIVE COUNCIL RULES CLEARINGHOUSE

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Scott Grosz  
*Clearinghouse Director*

Margit S. Kelley  
*Clearinghouse Assistant Director*

Terry C. Anderson  
*Legislative Council Director*

Jessica Karls-Ruplinger  
*Legislative Council Deputy Director*

### CLEARINGHOUSE REPORT TO AGENCY

[THIS REPORT HAS BEEN PREPARED PURSUANT TO S. 227.15, STATS. THIS IS A REPORT ON A RULE AS ORIGINALLY PROPOSED BY THE AGENCY; THE REPORT MAY NOT REFLECT THE FINAL CONTENT OF THE RULE IN FINAL DRAFT FORM AS IT WILL BE SUBMITTED TO THE LEGISLATURE. THIS REPORT CONSTITUTES A REVIEW OF, BUT NOT APPROVAL OR DISAPPROVAL OF, THE SUBSTANTIVE CONTENT AND TECHNICAL ACCURACY OF THE RULE.]

#### CLEARINGHOUSE RULE 17-063

AN ORDER to repeal and recreate ch. DFI-CU 72, relating to commercial and member business loans.

Submitted by **DEPARTMENT OF FINANCIAL INSTITUTIONS**

09-07-2017 RECEIVED BY LEGISLATIVE COUNCIL.

10-02-2017 REPORT SENT TO AGENCY.

SG:DWS

**LEGISLATIVE COUNCIL RULES CLEARINGHOUSE REPORT**

This rule has been reviewed by the Rules Clearinghouse. Based on that review, comments are reported as noted below:

1. STATUTORY AUTHORITY [s. 227.15 (2) (a)]

Comment Attached      YES       NO

2. FORM, STYLE AND PLACEMENT IN ADMINISTRATIVE CODE [s. 227.15 (2) (c)]

Comment Attached      YES       NO

3. CONFLICT WITH OR DUPLICATION OF EXISTING RULES [s. 227.15 (2) (d)]

Comment Attached      YES       NO

4. ADEQUACY OF REFERENCES TO RELATED STATUTES, RULES AND FORMS  
[s. 227.15 (2) (e)]

Comment Attached      YES       NO

5. CLARITY, GRAMMAR, PUNCTUATION AND USE OF PLAIN LANGUAGE [s. 227.15 (2) (f)]

Comment Attached      YES       NO

6. POTENTIAL CONFLICTS WITH, AND COMPARABILITY TO, RELATED FEDERAL  
REGULATIONS [s. 227.15 (2) (g)]

Comment Attached      YES       NO

7. COMPLIANCE WITH PERMIT ACTION DEADLINE REQUIREMENTS [s. 227.15 (2) (h)]

Comment Attached      YES       NO



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## WISCONSIN LEGISLATIVE COUNCIL RULES CLEARINGHOUSE

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Legislative Council Deputy Director

### CLEARINGHOUSE RULE 17-063

#### Comments

**[NOTE: All citations to "Manual" in the comments below are to the Administrative Rules Procedures Manual, prepared by the Legislative Reference Bureau and the Legislative Council Staff, dated December 2014.]**

#### 2. Form, Style and Placement in Administrative Code

a. The examples following proposed s. DFI-CU 72.01 (2) (a) appear to be substantive to the definition of "a person or entity engaged in a common enterprise" and should be included under subd. 3., rather than as an example following the clause.

b. The note following proposed s. DFI-CU 72.01 (2) (b) 2, appears to be substantive to the definition and should be included in the definition under subd. 2., rather than as a note following the clause.

c. The example following proposed s. DFI-CU 72.01 (5) (a) appears to be substantive to the definition of a "construction or development loan" and should be included under subds. 1. and 2., as appropriate, rather than as an example following the clause.

d. The examples following proposed ss. DFI-CU 72.03 (1) (e) 1. a. and 72.12 (2) also appear to be substantive to the definition of a "construction or development loan" and should be included under that subdivision, as appropriate, rather than as an example following the clause.

e. The proposed rule must have an effective date clause. [See s. 1.02 (4), Manual.]

#### 5. Clarity, Grammar, Punctuation and Use of Plain Language

a. The portion of the definition proposed under s. DFI-CU 72.01 (5) (a) 2., refers back to the definition itself in a circular fashion. This creates unnecessary confusion and should be avoided. See Wisconsin Bill Drafting Manual, s. 2.03 (7) (b).

b. In the first sentence under proposed s. DFI-CU 72.02 (1), the word "to" should be inserted between "loan" and "any".

c. Numerous definitions throughout the proposed rule, including "common enterprise" in proposed s. DFI-CU 72.01 (4), "loan secured by a one- to four-family residential property" in proposed s. DFI-CU 72.01 (11), "loan secured by a vehicle manufactured for household use" in proposed s. DFI-CU 72.01 (12), and "prospective market value" in proposed DFI-CU 72.03 (1) (b), appear to include a number of substantive rule provisions within each definition. These provisions should be expressed as rule provisions rather than part of a definition. The proposed rule should be reviewed in its entirety with regard to inclusion of substantive rule provisions in definitions.

d. Under proposed s. DFI-CU 72.08 (3) (c), it is incorrect punctuation to include quotation marks and parentheses around the acronym "CAMELS". Also, see s. 1.01 (6), Manual, in regard to the avoidance of the use of parentheses.