

1969 Senate Bill 29

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CHAPTER 375, LAWS OF 1969

AN ACT to create 186.35 of the statutes, relating to the creation of the Wisconsin credit union share insurance corporation.

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

186.35 of the statutes is created to read:

186.35 WISCONSIN CREDIT UNION SHARE INSURANCE CORPORATION. (1) ORGANIZATION. The Wisconsin credit union share insurance corporation, a nonprofit corporation, hereinafter referred to as the "corporation", shall be organized within one year after the effective date of this section (1969) by the duly authorized representatives of not less than 9 credit unions chartered and existing under ch. 186. The articles of incorporation shall require the approval of the commissioner of banking, and shall be filed with the commissioner of banking and the register of deeds of the county in which the principal office of the corporation is located. Amendments to the articles, adopted by a vote of two-thirds of the member credit unions present at an annual meeting or a special meeting called for that purpose, shall be filed with the commissioner upon payment of a fee of \$5 and if approved by him shall become effective upon be-

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ing recorded in the office of the register of deeds in the same manner as the original articles. This corporation shall be under the exclusive supervision of the commissioner of banking.

(2) **PURPOSES.** The general purposes of the corporation shall be to:

(a) Aid and assist any member credit union which develops financial difficulties such as insolvency, nonliquidity or liquidation, in order that the share holdings of any individual member of a member credit union shall be protected or guaranteed to any amount not to exceed \$15,000.

(b) Cooperate with its member credit unions and the credit union division of the office of the commissioner of banking for the purpose of improving the general welfare of credit unions in this state.

(3) **POWERS.** Should any of the powers in this subsection conflict with any other provision in ch. 186, the powers granted in this section shall prevail. The corporation may:

(a) Make contracts.

(b) Sue and be sued.

(c) Adopt, use and display a corporate seal.

(d) Advance funds to aid member credit unions to operate and to meet liquidity requirements.

(e) Assist in the orderly liquidation of credit unions.

(f) Receive money or property from its member credit unions, or any corporation, association or person.

(g) Invest its funds in bonds, notes or securities of the federal government or its agencies, and such other investments as are deemed prudent by the trustees but these other investments shall not exceed 50% of the outstanding capital of the corporation.

(h) Borrow money from any source, upon such terms and conditions as the trustees determine, for the purpose of this section.

(i) Purchase in its own name, hold and convey real and personal property.

(j) Receive by assignment or purchase, from its member credit unions, any notes, mortgages, real estate, securities and other assets owned by those member credit unions.

(k) Sell, assign, mortgage, encumber or transfer any notes, mortgages, real estate, securities and other assets.

(m) Adopt and amend bylaws, rules and regulations for carrying out the purposes of this section.

(4) **USE OF NAME.** This corporation shall have the sole right to the use of the name "Wisconsin Credit Union Share Insurance Corporation".

(5) **MEMBERSHIP.** (a) All credit unions operating and existing under this chapter shall become members of the corporation. Credit unions organized under federal charter, whose principal office is located in this state, may become members upon application and approval of the trustees.

(b) The corporation shall bill and collect from all credit unions the membership fee of \$5 or one-half per cent of the share capital of each member credit union, whichever is greater. This membership fee, when paid by the individual member credit union, shall be a charge to its guaranty fund or may be established as a prepaid asset, to be charged against its guaranty fund over a period of 5 years.

(c) The membership fee of each member credit union will be refunded to each member credit union when the unencumbered funds of the corporation reach 2% of the aggregate total share capital of the member credit unions, as determined by the annual report of the office of the commissioner of banking. These refunds shall be paid to the then existing

member credit unions. The refund shall be credited to the member credit union's guaranty fund.

(d) A regular annual assessment, not to exceed one-tenth of one per cent of the member credit union's share capital, shall be levied by the trustees. In the event of potential impairment of the corporation's capital funds, special assessments may be levied by the trustees with the approval of the commissioner of banking. The member credit union's share capital as of December 31 shall be the basis for calculating the assessment due the ensuing year. The trustees shall determine the date the annual assessment is due and payable. The annual assessment, and any special assessment, when paid by the member credit union, shall be a charge to its guaranty fund. The membership fee and the annual assessment shall also be levied on credit union shares in a central credit union on a similar basis as stated herein; however, the guaranty on such credit union shares shall extend to the full amount of such share balances and shall not be limited by the maximum protection afforded an individual member under sub. (2).

(e) A member credit union's membership fee to the corporation shall be considered as part of its individual guaranty fund for the purpose of determining its 10% limit under s. 186.17 as well as its office building investment under s. 186.11 (2).

(f) The trustees may reduce or waive the annual assessment when the total funds in this corporation equal an amount which is mutually agreed upon by the trustees and the commissioner of banking.

(g) In case of liquidation of this corporation, the funds shall be paid to the then existing member credit unions in proportion to contributions made. Such funds shall be credited to the member credit union's guaranty fund.

(6) TRUSTEES. The corporation's business shall be conducted by the incorporators who shall serve until the organizational meeting of the corporation, at which time not less than 7 trustees shall be elected by the members of the corporation in accordance with the bylaws.

(7) SUPERVISION OF CORPORATION. (a) The corporation shall be subject to supervision and an annual examination by the office of the commissioner of banking. The cost of each examination shall be paid by the corporation.

(8) EXAMINATIONS OF CREDIT UNIONS. (a) The office of the commissioner of banking shall promptly forward to the corporation copies of examination reports of all member credit unions. The cost of these copies shall be paid by the corporation. If the trustees of the corporation ascertain evidence of carelessness, unsound practices or mismanagement of any member credit union, and these weaknesses are not corrected, the trustees may recommend to the office of the commissioner of banking that the credit union be liquidated.

(9) BYLAWS. The incorporators shall subscribe and submit to the commissioner of banking, for approval, the bylaws and any amendments thereto under which the corporation shall operate. These bylaws may be amended at any regular or special meeting of the trustees or any annual or special meeting of the corporation.

Approved January 26, 1970.
