

S-L 4

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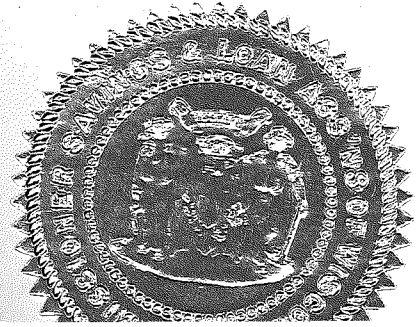


STATE OF WISCONSIN }
 DEPARTMENT OF SAVINGS AND LOAN } SS

I, R. J. WINKOWSKI, Commissioner of Savings and Loan Associations and custodian of the official records of the Savings and Loan Department, do hereby certify that the annexed SECTIONS S-L 4.09, "MORTGAGE LOANS SECURED BY IMPROVED REAL ESTATE AND SHARES OF SAVINGS AND LOAN ASSOCIATIONS", S-L 4.01 (3)(a) and (b), "MAXIMUM LOAN TO APPRAISED VALUE", S-L 4.05 (2), "INELIGIBLE REAL ESTATE SECURITY", S-L 4.05 (3), "MAXIMUM LOAN TO APPRAISED VALUE", S-L 4.08 (3)(a) and (b), "MAXIMUM LOAN RATIO", DEPARTMENTAL RULES OF THE SAVINGS AND LOAN DEPARTMENT, WISCONSIN ADMINISTRATIVE CODE, were adopted by the Commissioner on May 18, 1961, and approved by the Savings and Loan Advisory Committee on May 18, 1961, after a public hearing held on May 18, 1961.

I further certify that publication of SECTIONS S-L 4.09, S-L 4.01 (3) (a), S-L 4.01 (3)(b), S-L 4.05 (2), S-L 4.05 (3), S-L 4.08 (3)(a), and S-L 4.08 (3)(b), will be made in the WISCONSIN REGISTER of June, 1961, and that said rules will become effective on July 1, 1961.

I further certify that said copy has been compared by me with the original on file in this Department and that the same is a true copy thereof, and of the whole of such original.



IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the official seal of the Department at the State Office Building, in the City of Madison, this 18th day of May, A.D., 1961.

R. J. Winkowski

SAVINGS AND LOAN DEPARTMENT
STATE OF WISCONSIN

ORDER NO. 41

IN THE MATTER of prescribing rules and regulations, pursuant to authority contained in Section 215.52 (3), Wisconsin Statutes, for conducting the business of Savings and Loan Associations operating under Chapter 215, Wisconsin Statutes.

WHEREAS, The Commissioner of Savings and Loan Associations finds it necessary to create a new section of Chapter 4 of the Rules of the Savings and Loan Department, Wisconsin Administrative Code, Section S-L 4.09, and to amend the following sections of the Wisconsin Administrative Code, as contained in Order No. 33: S-L 4.01 (3)(a), S-L 4.01 (3)(b), S-L 4.05 (2), S-L 4.05 (3); and to amend the following sections of the Wisconsin Administrative Code as contained in Order No. 38: S-L 4.08 (3)(a) and S-L 4.08 (3)(b); said amendments due to changes and new developments in general business practices.

NOW, THEREFORE, IT IS ORDERED:

That Section S-L 4.09, "MORTGAGE LOANS SECURED BY IMPROVED REAL ESTATE AND SHARES OF SAVINGS AND LOAN ASSOCIATIONS" be created to read as:

S-L 4.09 MORTGAGE LOANS SECURED BY IMPROVED REAL ESTATE AND SHARES OF SAVINGS AND LOAN ASSOCIATIONS. (1) Any association may make mortgage loans which exceed the maximum loan ratios prescribed in subsections 215.22 (6)(b) and 215.22 (10), Wis. Stats., and subsections S-L 4.01 (3)(a) and (b) and S-L 4.05 (3), Wis. Adm. Code, when the excess portion of such mortgage loan is further secured by participation value of shares of any state-chartered or federally-chartered savings and loan

association doing business in Wisconsin or the participation value of shares of any savings and loan association, located outside of the State of Wisconsin, whose members' share accounts are insured by the Federal Savings and Loan Insurance Corporation.

(2) The maximum amount of any mortgage loan, made pursuant to the provisions of this section, may be made up to but shall not exceed the appraised value of the improved real estate security.

(3) The savings and loan shares, pledged as additional collateral to any mortgage loan made pursuant to the provisions of this section, may be the property of any person and may be accepted at full repurchase value.

(4) Upon proper assignment of the pledged shares, a collateral trust agreement shall be executed between the borrower, the owner of the pledged shares and the mortgage association. The trust agreement shall provide the manner and conditions under which the pledged shares may be released.

(5) The mortgage note shall contain a recitation to the effect that said loan is further secured by a collateral trust agreement of even date.

(6) No additional advances may be made on any mortgage loan, made pursuant to the provisions of this section, while the collateral trust agreement is in force.

(7) Any additional advances, made after termination of the collateral trust agreement, shall be made in such amount so as to limit the borrower's total unpaid loan balance to the maximum loan ratios cited in subsection (1) above.

IT IS ALSO ORDERED that sections S-L 4.01 (3)(a), S-L 4.01 (3)(b), S-L 4.05 (2), and S-L 4.05 (3) be amended to read as follows:

S-L 4.01 (3) MAXIMUM LOAN TO APPRAISED VALUE. (a) Except as otherwise provided in sections 215.22 (5), 215.22 (6)(b) and 215.22 (10), Wis. Stats., and sections S-L 4.05 (3), 4.08 (3) and 4.09 (2), Wis. Adm. Code, no loan shall exceed 80% of the appraised value of the improved real estate pledged as collateral security, provided that said security consists of either a home-type property or a combination home-and-business-type property.

(b) The maximum amount loaned on any improved real estate shall be based solely on the value of improved real estate security, exclusive of the value of any type or kind of additional collateral that may be pledged to such loan, except when granting loans under permissive authority of Sec. S-L 4.09 (1), Wis. Adm. Code.

S-L 4.05 MORTGAGE LOANS SECURED BY ANY TYPE OF IMPROVED REAL ESTATE. (2) INELIGIBLE REAL ESTATE SECURITY. No mortgage loan, made under the permissive authority of Section 215.22 (10), Wis. Stats., can be secured by unimproved real estate, unless such real estate is pledged as additional collateral security with improved real estate. The provisions of Section S-L 4.01 (3)(b) are applicable to unimproved real estate pledged as additional collateral security, and also apply when granting loans under permissive authority of Sec. S-L 4.09 (1), Wis. Adm. Code.

(3) MAXIMUM LOAN TO APPRAISED VALUE. Except as otherwise provided in Sec. 215.22 (5), Wis. Stats. and Sec. S-L 4.09 (2), Wis. Adm. Code, no loan granted pursuant to Sec. 215.22 (10), Wis. Stats., shall exceed 70% of the appraised value of the improved real estate offered as collateral security as fixed by an approved appraiser operating through an approved appraisal bureau or an appraiser approved by the Commissioner. The appraised value shall be the reasonable market value of the improved real estate pledged as collateral security.


IT IS ALSO ORDERED That Sections S-L 4.08 (3)(a) and S-L 4.08 (3)(b) be amended to read as follows:

S-L 4.08 LOANS IN EXCESS OF 80% OF APPRAISED VALUE. (3) MAXIMUM LOAN RATIO. (a) The maximum loan on a single family residential unit shall in no event exceed \$22,500.

(b) The maximum loan on 2 family residential units shall in no event exceed \$27,900.

IT IS FURTHER ORDERED, That this Order No. 41, adopted pursuant to the provisions of Chapter 227, Wisconsin Statutes, ^{and Sec. 213.52(3)} shall be in effect on the first day of the subsequent month following publication thereof by the Revisor of Statutes.

Dated this 18th day of May, 1961.



R. J. Winkowski
Commissioner

This order was approved by the Savings and Loan Advisory Committee on May 18, 1961, after a public hearing on that date.