

Filed 8/25/66

S-L 16



**Savings and Loan Department**

STATE OF WISCONSIN }  
 SAVINGS AND LOAN DEPARTMENT } ss

I, LEO MORTENSEN, Commissioner of Savings and Loan Associations, and Custodian of the official records of the Savings and Loan Department, do hereby certify that the annexed Order No. 60, repealing and recreating Chap. S-L 12, and repealing and recreating subsection S-L 16.02(2), RULES OF THE SAVINGS AND LOAN DEPARTMENT, WISCONSIN ADMINISTRATIVE CODE, was adopted by the Savings and Loan Commissioner on August 18, 1966, and approved by the Savings and Loan Advisory Committee on August 18, 1966, without the holding of a public hearing thereon, pursuant to Sec. 227.02(1)(b), Wisconsin Statutes.

I further certify that no public hearing was held for the reason that Order No. 60 is for the purpose of bringing existing Rules to conform to recent changes in Federal Regulations promulgated by the Federal Home Loan Bank Board.

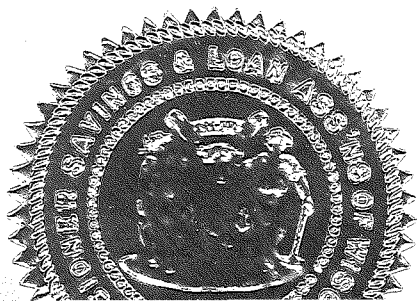
I further certify that publication of Order No. 60 will be made in the Wisconsin Administrative Register of September 1966, No. 129, and that the subject matter of said Order No. 60, Rules of the Savings and Loan Department, Wisconsin Administrative Code, will become effective October 1, 1966.

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

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the Official Seal of the Department, located in Room 502, Hill Farm State Office Building, 4802 Sheboygan Avenue, in the City of Madison, this 25th day of August 1966.

*Leo Mortensen*

Leo Mortensen



SAVINGS AND LOAN DEPARTMENT  
STATE OF WISCONSIN

ORDER NO. 60

IN THE MATTER of prescribing Rules and Regulations, pursuant to authority contained in Sec. 215.02(12)(a), Wis. Stats., for conducting the business of Savings and Loan Associations operating under Chapter 215, Wisconsin Statutes

WHEREAS, the Federal Home Loan Bank Board on June 20, 1966, by the adoption of Resolution No. FHLIC-2,643, amended the requirements for allocations to reserves during the period beginning July 1, 1966 and ending December 31, 1967, and

WHEREAS, the Federal Home Loan Bank Board on June 20, 1966, by the adoption of Resolution No. 19,994, amended the level of liquidity requirement during the period beginning July 1, 1966 and ending November 1, 1966, and

WHEREAS, the Savings and Loan Commissioner desires to change existing Rules of the S-L Section of the Wisconsin Administrative Code to conform to changes in Federal Rules, as promulgated by the Federal Home Loan Bank Board.

NOW, THEREFORE, IT IS ORDERED:

1. That Order No. 60, repealing and recreating Chap. S-L 12 and repealing and recreating subsection S-L 16.01(2), Rules of the Savings and Loan Department, Wisconsin Administrative Code, is hereby adopted to read as:

Section No. 1

To repeal and recreate Chapter 12, Wis. Adm. Code to read as:

8-1.12.01 Legal Reserve

(1) Definitions. For the purpose of this section, the following definitions apply:

(A) "Specified Assets" of an association shall consist of total assets, less cash, U.S. Government obligations, Federal Home Loan Bank stock, prepaid Federal Savings and Loan Insurance Premium (if insured), loans secured by the association's savings accounts, investments up to \$10,000 in savings accounts of other associations insured by the Federal Savings and Loan Insurance Corp., loans in process, and less 80% of the association's FHA and VA loans.

(B) "Scheduled Items" include:

1. Slow loans (other than FHA or VA);
2. 20% of slow, FHA or VA loans;
3. Real estate owned and in judgment, excluding real estate owned pending transfer to an insuring or guaranteeing Federal agency and federally insured or guaranteed loans in judgment;
4. Real estate sold on contract, the principal unpaid balance of which exceeds applicable lending limitations;
5. Investment securities upon which one or more interest payments due has not been paid; and
6. Deposits in closed financial institutions or those in possession of supervisory authorities.

- (C) "Net Worth" is the sum of all general reserve accounts (except specific and valuation reserves) and undivided profits.
- (D) "Adjusted Net Worth" is the net worth less 20% of the scheduled items.
- (2) Minimum periodic transfers to Legal Reserve. Out of the net income of each six-month period, commencing July 1, 1966 and ending December 31, 1967, and prior to the declaration of any earnings distribution rate, an amount equal to at least 5% of said net income shall be transferred to the Legal Reserve or Federal Insurance Reserve.
- (3) Required periodic transfers to Legal Reserve. Transfers to the Legal Reserve or Federal Insurance Reserve, in accordance with the provisions of subsection (2) above, shall be made until the association's adjusted net worth is equivalent to 10% of its specified assets at the close of the semi-annual period.

Section No. 2

To repeal and recreate subsection S-L 16.02(2), Wis. Adm. Code, to read


as:

S-L 16.01

- (2) Requirement. During the period, beginning July 1, 1966 and ending November 1, 1966, no state chartered savings and loan association shall make or purchase any loan, other than loans secured by withdrawable savings accounts, whenever the total of cash and obligations of the United States is less than 6% of the total withdrawable savings accounts.

2. That in view of the fact that the subject matter of Order No. 60 is for the purpose of bringing up existing rules to conform to the requirements of comparable Federal Rules and Regulations recently amended by the Federal Home Loan Bank Board, no public hearing was held thereon, pursuant to the provisions of Sec. 227.02(1)(b), Wis. Stats., and

3. That Order No. 60 shall become a part of the Rules of the Savings and Loan Department, Wisconsin Administrative Code, effective October 1, 1966, after publication thereof in the Wisconsin Register for September 1966, No. 129.

  
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Leo Hortensen  
Commissioner

This Order was approved by the Savings and Loan Advisory Committee on August 18, 1966.