

Filed December 5, 1966.

S-L 3 to 24 7:55 a.m.



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. 64, consisting of the following Sections:

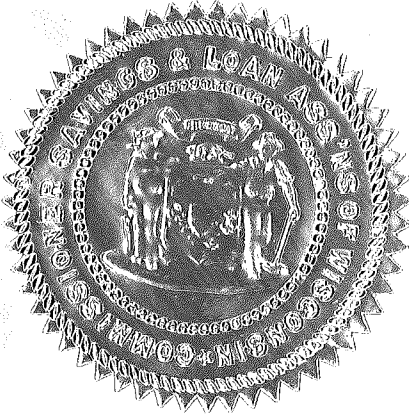
- Section 1 Repealing and recreating par. 2, Section IV, S-L 3.01
- Section 2 Creating Section S-L 5.08
- Section 3 Creating paragraphs (a) and (b) in subsection S-L 10.01(1)
- Section 4 Creating paragraphs (a) and (b) in subsection S-L 10.02(1)
- Section 5 Creating paragraphs (a) and (b) in subsection S-L 10.03(1)
- Section 6 Creating Section S-L 10.04
- Section 7 Repealing and recreating subsection S-L 11.01(1)
- Section 8 Repealing and recreating subsection S-L 16.01(2)
- Section 9 Repealing and recreating Chap. S-L 22
- Section 10 Creating Chap. S-L 23
- Section 11 Creating Chap. S-L 24

Rules of the Savings and Loan Department, Wisconsin Administrative Code, was adopted by the Savings and Loan Commissioner on November 29, 1966, and approved by the Savings and Loan Advisory Committee on November 29, 1966, without the holding of a public hearing thereon, pursuant to Sec. 227.02(1)(b), Wis. Stats.

I further certify that no public hearing was held for the reason that Order No. 64 is for the purpose of bringing up existing Rules to conform to recent Rules and Regulations promulgated by the Federal Home Loan Bank Board.

I further certify that publication of Order No. 64 will be made in the Wisconsin Administrative Register of December 1966, No. 132, and that the subject matter of said Order No. 64, Rules of the Savings and Loan Department, Wisconsin Administrative Code, will become effective January 1, 1967.

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 the whole of such original.



IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the Official Seal of the Savings and Loan Department, located in Room 502, Hill Farm State Office Building, 4802 Sheboygan Avenue, in the City of Madison, this 1st day of December 1966.

A handwritten signature in cursive script, appearing to read "Leo Mortensen", written over a horizontal line.

Leo Mortensen  
Commissioner

SAVINGS AND LOAN DEPARTMENT  
STATE OF WISCONSIN

ORDER NO. 64

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 Chap. 215, Wis. Stats.

WHEREAS, Public Law 89-597, 89th Congress, directed the Federal Savings and Loan Insurance Corporation to establish Earnings Distribution Rate Controls, and

WHEREAS, the Federal Home Loan Bank Board by the adoption of Resolutions numbered FSLIC-2,734 and FSLIC-2,748, established regulations on Earnings Distribution Rate Controls for insured, state-chartered savings and loan associations, and

WHEREAS, the Savings and Loan Commissioner desires to amend existing Rules and create new Rules of the S-L Section of the Wisconsin Administrative Code to conform to Public Law 89-597, 89th Congress and the Rules as promulgated by the Federal Home Loan Bank Board in accordance with the requirements of said Public Law 89-597.

NOW, THEREFORE, IT IS ORDERED:

1. That Order No. 64, consisting of the following eleven (11) Sections of the Rules of the Savings and Loan Department, Wisconsin Administrative Code, is hereby adopted to read as:

SECTION 1

To repeal and recreate par. 2, Section IV of Sec. S-L 3.01 to read as:

- (2) All members shall participate equally in the distribution of earnings, except for bonus payments under a bonus plan, prorata to the amount paid into savings accounts, plus distributed earnings credited thereto, and except a bonus plan on single payment savings account certificates, and except variable earnings distribution rate plans on single payment variable rate certificates, issued in accordance with the Rules and Regulations of the Savings and Loan Department, Wis. Adm. Code, and the Rules and Regulations for Insurance of Accounts by the Federal Savings and Loan Insurance Corporation, provided, however that earnings need not be distributed on savings accounts having a withdrawal value of \$10 or less, and no preference shall be created with respect to the distribution of assets upon voluntary or involuntary liquidation or dissolution of the association.

SECTION 2

To create Section S-L 5.08 to read as:

S-L 5.08 SINGLE PAYMENT VARIABLE RATE CERTIFICATE

- (1) Any association that has adopted the method of distributing earnings at variable rates under the provision of Chap. S-L 24, Wis. Adm.

Code may use any one of the following approved forms:

- (A) Option No. 1 Permits distribution of regular earnings declared by the board during the qualifying period on regular distribution dates, and the payment of extra earnings upon completion of qualifying period.

SINGLE PAYMENT VARIABLE RATE CERTIFICATE

Cert. No. VR \_\_\_\_\_

This certifies that \_\_\_\_\_ holds a \$ (1) \_\_\_\_\_ Single Payment Variable Rate Certificate in this association subject to its Articles of Incorporation, Bylaws, Chap. 215, Wisconsin Statutes, Wisconsin Administrative Code and Rules and Regulations for Insurance of Accounts of the Federal Savings and Loan Insurance Corporation.

Earnings are distributable on the amount of this certificate as determined by the board of directors.

Regular earnings as determined by the board shall be distributed during the qualifying period on the association's regular earnings distribution date. Extra earnings shall be distributable upon completion of the qualifying period on \_\_\_\_\_ (date) \_\_\_\_\_.

This certificate shall continue for successive qualifying periods of \_\_\_\_\_ (2) \_\_\_\_\_ months each unless cancelled by written notice of the association to the holder 30 days or more prior to the expiration of a qualifying period, with earnings as herein provided paid to the date of cancellation.

Witness the seal of the undersigned and the signature of its duly authorized officer, this the \_\_\_\_\_ day of \_\_\_\_\_, 19 \_\_\_\_\_.

\_\_\_\_\_  
Savings and Loan Association

\_\_\_\_\_  
Wisconsin

\_\_\_\_\_  
(Authorized Signature)

- (1) Insert amount of certificate  
(2) Insert a number not less than 6 nor more than 12

- (B) Option No. 2 Permits distribution of regular earnings declared by board during the qualifying period on regular distribution dates, and the payment of extra earnings upon completion of qualifying period, and the insertion of the total rate of return is that/anticipated to be paid to the holder thereof.

SINGLE PAYMENT VARIABLE RATE CERTIFICATE

Cert. No. VR \_\_\_\_\_

This certifies that \_\_\_\_\_ holds a \$ (1) Single Payment Variable Rate Certificate in this association subject to its Articles of Incorporation, Bylaws, Chap. 215, Wisconsin Statutes, Wisconsin Administrative Code and Rules and Regulations for Insurance of Accounts of the Federal Savings and Loan Insurance Corporation.

Earnings are distributable on the amount of this certificate as determined by the board of directors.

Regular earnings as determined by the board shall be distributable during the qualifying period on the association's regular earnings distribution date. Extra earnings shall be distributable upon completion of the qualifying period on (date) \_\_\_\_\_. It is anticipated, subject to final determination of the board, that the holder will be paid earnings at the rate of (2) \_\_\_\_\_ percent per annum on the qualified amount of this certificate.

This certificate shall continue for successive qualifying periods of (3) \_\_\_\_\_ months each unless cancelled by written notice of the association to the holder 30 days or more prior to the expiration of a qualifying period, with earnings as herein provided paid to the date of cancellation.

WITNESS the seal of the undersigned and the signature of its duly authorized officer, this the \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_\_.

\_\_\_\_\_  
Savings and Loan Association  
\_\_\_\_\_, Wisconsin

\_\_\_\_\_  
(Authorized Signature)

- (1) Insert amount of certificate
- (2) Insert the total anticipated rate of return
- (3) Insert a number not less than 6 nor more than 12

- (C) Option No. 3 Permits the payment of the total stated return of earnings on qualified amounts at the expiration of stated periods, and also imposes a penalty in the form of a decreased earnings on withdrawals prior to the expiration period.

SINGLE PAYMENT VARIABLE RATE CERTIFICATE

Cert. No. VR \_\_\_\_\_

This certifies that \_\_\_\_\_ holds a \$ (1) Single Payment Variable Rate Certificate in this association subject to its Articles of Incorporation, Bylaws, Chap. 215, Wisconsin Statutes, Wisconsin Administrative Code and Rules and Regulations for Insurance of Accounts of the Federal Savings and Loan Insurance Corporation.

Earnings are distributable on the amount of this certificate as determined by the board of directors.

On the qualified amount of this certificate at the expiration of the period ending (date), it is anticipated, subject to final determination of the board, that the holder will be paid earnings at the rate of (2) percent per annum. Amounts withdrawn prior to such date shall receive earnings on the following basis, but in no event less than 50% of the regular rate of earnings: Unless the funds, represented by this certificate, have been outstanding for a period of not less than 6 months, as the result of an exchange of existing savings accounts or of the opening of a new account as of the date hereof, earnings shall be distributed at a rate equivalent to (3) % of the regular announced rate.

This certificate shall continue for successive qualifying periods of (4) months each unless cancelled by written notice of the association to the holder 30 days or more prior to the expiration of a qualifying period with earnings as herein provided paid to the date of cancellation.

WITNESS the seal of the undersigned and the signature of its duly authorized officer, this the \_\_\_\_\_ day of \_\_\_\_\_, 19 \_\_\_\_\_.

\_\_\_\_\_  
Savings and Loan Association

\_\_\_\_\_  
Wisconsin

\_\_\_\_\_  
(Authorized Signature)

- (1) Insert amount of certificate
- (2) Insert the total anticipated rate of return
- (3) Insert the percentage of regular earnings rate to be paid on withdrawals prior to completion date
- (4) Insert a number not less than 6 nor more than 12

(2) When Issued

Single payment variable rate certificates shall be dated and issued on the date when issued in exchange for an existing regular account or accounts or on the date when funds in the qualifying amount are received.



SECTION 3

To create paragraphs (a) and (b) in subsection S-L 10.01(1) to read as:

- (a) The maximum rates of earnings imposed by Section S-L 23.04, Wis. Adm. Code, for associations, whose members' accounts are insured by the Federal Savings and Loan Insurance Corporation, shall not apply to Bonus Accounts for systematic savings in force as of September 21, 1966.
- (b) All Bonus Accounts for systematic savings, opened after September 21, 1966, by associations, whose members' accounts are insured by the Federal Savings and Loan Insurance Corporation, are subject to the maximum return restriction of 5.25% per annum. On such bonus accounts the regular announced earnings rate plus the bonus earnings rate cannot exceed 5.25% per annum.

SECTION 4

To create paragraphs (a) and (b) in subsection S-L 10.02(1) to read as:

- (a) The maximum rates of earnings imposed by Section S-L 23.04, Wis. Adm. Code, for associations, whose members' accounts are insured by the Federal Savings and Loan Insurance Corporation, shall not apply to Bonus Accounts issued under the permissive authority of this section and in force as of September 21, 1966.
- (b) Effective September 22, 1966, associations, whose members' accounts are insured by the Federal Savings and Loan Insurance Corporation, are prohibited from offering bonus accounts to their members under the permissive authority of this section.

SECTION 5

To create paragraphs (a) and (b) in subsection 10.03(1), to read as:

- (a) The maximum rates of earnings imposed by Section S-L 23.04, Wis. Adm. Code, for associations, whose members' accounts are insured by the Federal Savings and Loan Insurance Corporation, shall not apply to Bonus Accounts issued under the permissive authority of this section and in force as of September 21, 1966.
- (b) Effective September 22, 1966, associations, whose members' accounts are insured by the Federal Savings and Loan Insurance Corporation, are prohibited from offering bonus accounts to their members under the permissive authority of this section.

SECTION 6

To create section S-L 10.04 to read as:

S-L 10.04 BONUS PLAN. SINGLE PAYMENT CERTIFICATES ISSUED IN AMOUNTS OF NOT LESS THAN \$1,000 AND HELD BY THE OWNERS THEREOF FOR A CONTINUOUS PERIOD OF NOT LESS THAN 6 MONTHS NOR MORE THAN 12 MONTHS

(1) Plan

Any association, with an announced earnings distribution rate of 4.75% or less per annum on regular accounts, as defined in Subsection S-L 23.02(1), Wis. Adm. Code, may offer Bonus Earnings in addition to the regular announced rate on single payment savings account certificates, as authorized under Sec. S-L 5.03, Wis. Adm. Code, issued in amounts of not less than \$1,000 and held by the owners thereof for a continuous period of not less than 6 months nor more than 12 months.

(2) Discretionary Selection of Bonus Earnings Rate and the Specification of Minimum Amounts of Single Payment Savings Account Certificates

- (a) Under the permissive authority of this section, any non-insured savings and loan association may, by resolution, fix the rate of bonus earnings and specify the minimum amounts of single payment savings account certificates eligible for participation in such bonus earnings.
- (b) Under the permissive authority of this section, any association, whose members' accounts are insured by the Federal Savings and Loan Insurance Corporation, may by resolution fix the rate of bonus earnings and specify the minimum amounts of single payment savings account certificates eligible for participation in such bonus earnings, provided that the aggregate return, consisting of the regular announced rate plus the bonus earnings rate does not exceed the 5.25% per annum maximum prescribed in Section S-L 23.05(1), Wis. Adm. Code.

(3) Specimen Resolution for Bonus Earnings on Single Payment Certificates

"Upon motion of \_\_\_\_\_, seconded by \_\_\_\_\_ and carried, the following resolution relative to Bonus Earnings on Single Payment Savings Account Certificates authorized by Sec. S-L 10.04, Wis. Adm. Code, was adopted pursuant to Sec. IV (6)(a) of the bylaws:

'WHEREAS, the directors of the (1) SAVINGS AND LOAN ASSOCIATION of (2), Wisconsin, have given consideration for Bonus Earnings of (3) % per annum on single payment Savings Account Certificates, issued in amounts of \$ (4) or more, and held by the members for a continuous period of not less than 6 months nor more than 12 months under the permissive authority of Sec. S-L 10.04(1), Wis. Adm. Code.

'NOW, THEREFORE, BE IT RESOLVED, that, effective this date, the (1) SAVINGS AND LOAN ASSOCIATION of (2), Wisconsin, shall be obligated to pay a Bonus Earnings rate of (3) % per annum on Single Payment Savings Account Certificates issued in amounts of \$ (4) or more and held by the member for a continuous period of not less than 6 months nor more than 12 months.

'Any member, desiring to participate in Bonus Earnings on Single Payment Savings Account Certificates, held for a continuous period of not less than 6 months nor more than 12 months, shall execute an "APPLICATION AND AGREEMENT FOR BONUS", the form and content of which follows:

- (1) Insert Name of Association
- (2) Insert Name of City
- (3) Insert rate of Bonus Earnings
- (4) Insert minimum qualifying amount

APPLICATION AND AGREEMENT FOR BONUS

The undersigned hereby execute this application and agreement for Bonus under the Bonus Plan of the (1) Savings and Loan Association, (2), Wisconsin, hereinafter set forth, subject to the association's Articles of Incorporation, Bylaws, Chap. 215, Wisconsin Statutes, Wisconsin Administrative Code, and Rules and Regulations for Insurance of Accounts of the Federal Savings and Loan Insurance Corporation.

It is understood and agreed that the funds evidenced by Certificate of Savings Account No. (3), which shall be maintained at not less than \$ (4), for (5) months, commencing from the date of this Agreement, may receive extra earnings of (6) per cent per annum in addition to the regular earnings paid on such accounts.

This Application and Agreement for Bonus shall continue for successive qualifying periods of (7) months each, unless cancelled by written notice of the Association to the holder 30 days or more prior to the expiration of the qualifying period, with earnings as herein provided paid to date of cancellation.

It is understood and agreed that extra earnings applicable to such accounts during the required period shall be paid at the end of such period or on the next regular earnings distribution date.

Signed at (2), Wisconsin, this \_\_\_ day of \_\_\_\_\_, 19\_\_

\_\_\_\_\_  
Signature of Member

\_\_\_\_\_  
Signature of Member

\_\_\_\_\_  
Address of Member

(1) Savings and Loan Association

By \_\_\_\_\_

- (1) Insert name of Association
- (2) Insert name of City
- (3) Insert number of certificate
- (4) Insert amount of certificate
- (5) Insert a number of not less than 6 nor more than 12
- (6) Insert percentage rate of bonus earnings
- (7) Insert a number of not less than 6 nor more than 12

"A certified copy of this resolution shall be submitted to the Commissioner after adoption by the Board of Directors."

(4) Notice of Availability to Members

Each association, which determined by resolution, as described in subsection (3), to pay bonus earnings on Single Payment Savings Account Certificates, shall within 30 days give notice of such determination by at least one of the following means:

- (a) By mail to all members having a withdrawable account of at least the qualifying amount; or
- (b) By posting of a notice in a conspicuous place in the office of the association for so long as the association continues to offer the plan; or
- (c) By publication in a newspaper of general circulation in the city or county in which the office is located.

(5) Payment of Bonus Earnings

Bonus earnings on single payment savings account certificates shall be paid at the end of the initial qualifying period or on the next succeeding earnings distribution date following the initial qualifying period of ownership.

(6) Bonus Reserve

Bonus earnings unpaid at any regular distribution period shall be fully reserved by appropriate entries.

(7) Discontinuance of Bonus Plan

Appropriate notice to holders of single payment savings certificates participating in Bonus Earnings shall be made 30 days or more prior to the expiration of a qualifying period, when the board of directors, by resolution, determines to discontinue the bonus plan.

(8) Forfeiture of Bonus

In the event a member applies for a partial withdrawal on a single payment savings certificate, either during the initial qualifying

period or subsequent renewal qualifying periods, all right to participate in bonus earnings shall be forfeited.

(9) Use of Passbooks Prohibited

The imprinting of or attaching of the single payment savings account certificate and the application and agreement form in a passbook or an account book showing a record of payments and withdrawals is prohibited.

(10) Certification by Association's Attorney

If the association is one whose members' accounts are insured by the Federal Savings and Loan Insurance Corporation, the association's attorney must submit an opinion to the Federal Savings and Loan Insurance Corporation that:

- (a) The association's Articles of Incorporation and Bylaws and terms of any other currently issued forms of accounts are not inconsistent with the Rules and Regulations for Insurance of Accounts; and
- (b) The association's Articles of Incorporation and Bylaws permit the payment of bonus earnings; and
- (c) The security form of the single payment savings account certificate conforms to Wisconsin law.

(11) Supervisory Approval Evidence

If the association is one whose members' accounts are insured by the Federal Savings and Loan Insurance Corporation, the association must submit evidence to the Federal Savings and Loan Insurance Corporation that the Savings and Loan Commissioner of Wisconsin has no objection to the issuance of the single payment savings account form in connection with a bonus agreement as authorized under this section.



(12) Maximum Amount of Single Payment Savings Account Certificates Participating in Bonus Earnings

No association may issue any single payment savings account certificate participating in bonus earnings at any time when the aggregate of single payment savings accounts participating in bonus earnings under the permissive authority of this section, and any other savings account participating in bonus earnings under Sections S-L 10.01(2), (3), (4), (5), S-L 10.02 and S-L 10.03, Wis. Adm. Code, and single payment variable rate certificates, issued under Chap. S-L 24, Wis. Adm. Code, exceeds 50% of the association's total savings capital.

(13) Regular Accounts Exchanged for Single Payment Bonus Certificates

Members holding savings accounts, evidenced by either passbooks or certificates of savings accounts, may exchange such account or accounts to single payment bonus certificates in qualifying amounts without loss of earnings to date of exchange. Earnings on such accounts exchanged shall be paid on the regular earnings distribution dates.

SECTION 7

To repeal and recreate subsection S-L 11.01(1) to read as:

S-L 11.01 COMPUTATION OF EARNINGS DISTRIBUTION

(1) Determination Date

- (a) Notwithstanding the provisions of subsection 215.16(5), Wis. Stats., all associations whose members' accounts are insured by the Federal Savings and Loan Insurance Corporation, shall, as of October 1, 1966, use the 10th day of each month as the determination for computing earnings distribution on payments on regular accounts and single payment certificates, as defined in Sec. S-L 23.02, Wis. Adm. Code.
- (b) In accordance with the provisions of subsection 215.16(5), Wis. Stats., the board of directors of any non-insured association may, by resolution, fix any date, up to and including the 20th of the month as the determination date for computing earnings distribution on payment on regular accounts and single payment certificates, as defined in Sec. S-L 23.02, Wis. Adm. Code. If the board fails to set a determination date, in accordance with subsection 215.16(5), Wis. Stats., then the determination date for the computation of earnings shall be the 10th of the month.

SECTION 8

To repeal and recreate subsection (2) of Sec. S-L 16.01 to read as:

(2) Requirement

Effective 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 7% of the total withdrawable savings accounts.

SECTION 9

To repeal and recreate Chap. S-L 22 to read as:

CHAPTER S-L 22

PAYMENT OF BONUS EARNINGS ON  
MATURITY DATE

S-L 22.01 AUTHORITY TO DISTRIBUTE BONUS EARNINGS ON 6 MONTHS CERTIFICATES OF  
SAVINGS ACCOUNTS AT MATURITY DATES OCCURRING BETWEEN REGULAR EARNINGS  
DISTRIBUTION DATES

The commissioner of savings and loan associations, pursuant to Sec. 215.16(6), Wis. Stats., authorizes any association to pay bonus earnings on certificates of savings accounts, issued in amounts of not less than \$1,000 and held by the members for 6 months, in accordance with Sections S-L 10.03 and S-L 10.04, Wis. Adm. Code, on the maturity dates of such certificates, if the association so elects.

SECTION 10

To create Chapter S-L 23 to read as:

CHAPTER S-L 23

EARNINGS DISTRIBUTION RATE CONTROL

S-L 23.01 APPLICABILITY

The entire provisions of this chapter shall apply to savings and loan associations whose members' accounts are insured by the Federal Savings and Loan Insurance Corporation. Only Section S-L 23.02 shall apply to non-insured savings and loan associations.

S-L 23.02 DEFINITIONS

- (1) "Regular Accounts" means savings accounts of members evidenced by a passbook or a certificate of savings accounts in accordance with the provisions of Sections S-L 5.02 and S-L 5.03, Wis. Adm. Code, which receive no extra earnings other than the regular rate of earnings declared.
- (2) "Single Payment Certificate Accounts" means:
  - (a) Savings accounts of members of not less than \$1,000, evidenced by a Single Payment Variable rate certificate, held by the owner thereof for a continuous period of not less than 6 months nor more than 12 months, issued in accordance with the provisions of Sec. S-L 5.08, Wis. Adm. Code, and subject to the terms and conditions set forth in Chap. S-L 24, Wis. Adm. Code, or
  - (b) Savings accounts of members of not less than \$1,000, evidenced by a Certificate of Savings Account as set forth in Sec. S-L 5.03, Wis. Adm. Code, held by the owner thereof for a continuous period of not less than 6 months nor more than 12 months, issued in accordance with terms and conditions of a bonus agreement as

set forth in Sec. S-L 10.04, Wis. Adm. Code.

- (3) "Distribution Period" means the 6 month period used by an association as a basis of distributing earnings to its members.
- (4) "Announced Rate" means the rate of earnings distribution which an association has declared, announced or advertised that it will pay or anticipates paying for a distribution period, or, if none, the rate of earnings distribution for the immediately preceding distribution period.

S-L 23.03 MAXIMUM RATE OF EARNINGS DISTRIBUTION

- (1) No association, whose members' accounts are insured by the Federal Savings and Loan Insurance Corporation, shall pay rate of earnings in excess of the applicable maximum earnings rate prescribed in Sec. S-L 23.04, Wis. Adm. Code.
- (2) No association, whose members' accounts are insured by the Federal Savings and Loan Insurance Corporation shall be subject to the applicable maximum earnings rate prescribed in Sec. S-L 23.04, Wis. Adm. Code, if the announced rate of earnings distribution for the current distribution period ending Dec. 31, 1966, exceeded the applicable maximum earnings rates prescribed in said Sec. S-L 23.04, Wis. Adm. Code.
- (3) The applicable maximum earnings rates prescribed in Sec. S-L 23.04, Wis. Adm. Code, shall not apply to any association whose members' accounts are insured by the Federal Savings and Loan Insurance Corporation, that had accounts, outstanding as of September 21, 1966, which as a result "Bonus Earnings Agreements", receive a total distribution of earnings, consisting of the regular and bonus earnings, in excess of the applicable maximum earnings rates prescribed in said Sec. S-L 23.04, Wis. Adm. Code.

- (4) Effective October 1, 1966, associations, whose members' accounts are insured by the Federal Savings and Loan Insurance Corporation, shall, in order to comply with the maximum earnings rates prescribed in Sec. S-L 23.04, Wis. Adm. Code, treat all monies received on regular accounts or single payment certificate accounts not later than the 10th of the month as having been received on the first of the month.

S-L 23.04 MAXIMUM RATE OF EARNINGS ON REGULAR ACCOUNTS

- (1) No association, whose members' accounts are insured by the Federal Savings and Loan Insurance Corporation, shall distribute earnings at a rate in excess of 4.75% per annum on regular accounts.
- (2) Any association, whose members' accounts are insured by the Federal Savings and Loan Insurance Corporation, with an announced earnings distribution rate, for the distribution period included September 21, 1966, in excess of 4.75% per annum on regular accounts, may continue to distribute earnings at a rate not in excess of 5% per annum.

S-L 23.05 MAXIMUM RATE OF EARNINGS ON SINGLE PAYMENT CERTIFICATE ACCOUNTS

- (1) Announced Rate of Earnings at 4.75% or less on Regular Accounts  
Any association, whose members' accounts are insured by the Federal Savings and Loan Insurance Corporation, with an announced rate of earnings of 4.75% or less per annum on regular accounts, as of September 21, 1966, may pay earnings distribution on single payment certificate accounts, as defined in Sec. S-L 23.02(2), Wis. Adm. Code, at a rate not in excess of 5.25% per annum.
- (2) Announced Rate of Earnings in Excess of 4.75% on Regular Accounts  
Any association, whose members' accounts are insured by the Federal Savings and Loan Insurance Corporation, with an announced rate of earnings in excess of 4.75% per annum on regular accounts, as of September 21, 1966, may pay earnings distribution on single payment

certificate accounts, as defined in Sec. S-L 23.02(2), Wis. Adm. Code, at a rate not in excess of 5% per annum.



SECTION 11

To create Chapter S-L 24 to read as:

CHAPTER S-L 24

SINGLE PAYMENT CERTIFICATES  
PARTICIPATING IN VARIABLE EARNINGS RATES

S-L 24.01 PLAN

Any association may, by resolution of its board of directors, offer single payment certificates to its members, as defined in Par. (a), subsection S-L 23.02(2), Wis. Adm. Code, which receive earnings at a rate or rates higher than its announced rate distributed on regular accounts defined in subsection S-L 23.02(1), Wis. Adm. Code. Single payment certificates issued under this plan shall not be less than \$1,000 and maintained for a period of not less than 6 months nor more than 12 months. Participation in extra earnings shall commence as of the date appearing on said single payment certificate.

S-L 24.02 FORM OF SINGLE PAYMENT VARIABLE RATE CERTIFICATE

Sec. S-L 5.08, Wis. Adm. Code, contains illustrative forms of the Single Payment Variable Rate Certificates that may be used by an association that has determined to offer this type of plan to its members. Selection of any one of the three illustrative types is dependent upon the determination of the board of directors.

S-L 24.03 SPECIMEN RESOLUTION FOR ADOPTION OF PLAN

Any association that has determined to adopt the plan of paying earnings on specified qualifying amounts at a rate or rates higher than regular accounts, shall adopt a resolution in the following form:

"Upon motion of \_\_\_\_\_, seconded by \_\_\_\_\_  
and carried, the following resolution relative to the Single  
Payment Certificates participating in Variable Distribution

rates was adopted:

'WHEREAS, the directors of the \_\_\_\_\_ Savings and Loan Association of \_\_\_\_\_, Wisconsin, have given consideration to the distribution of earnings on Single Payment Certificates at a rate higher than the current announced rate of earnings distributed on regular accounts under the permissive authority of Chapter S-L 24, Wis. Adm. Code, and

'WHEREAS, the current announced earnings rate on regular accounts is (1) per cent per annum.

'NOW, THEREFORE, IT IS RESOLVED, that effective this date, the \_\_\_\_\_ Savings and Loan Association of \_\_\_\_\_, Wisconsin, will distribute earnings on single payment certificates at the rate of (2) per cent per annum in accordance with the following terms, conditions, limitations and eligibility requirements:

1. Minimum Amount. The minimum amount of a single payment variable rate certificate is \$ (3).
2. Qualifying Period of Ownership. All single payment certificates in order to qualify for extra earnings distribution shall be issued for not less than 6 months nor more than 12 months.
3. Exchange of Regular Accounts for Single Payment Certificates. Members holding regular accounts, as defined in Sec. S-L 23.02(1), Wis. Adm. Code, may exchange such accounts for single payment certificates in minimum qualifying accounts without loss of earnings on the amounts transferred. The earnings on amounts transferred as the result of such exchange

shall be paid on the subsequent regular earnings distribution date.

4. Renewal of Certificates. All single payment certificates shall continue for successive qualifying periods of 6 months after completion of the original qualifying period.
5. Distribution of Earnings. Earnings are distributable as determined by the board of directors.

(Insert paragraph 3 of one of the three types of approved single payment certificates as contained in Sec. S-L 5.08, Wis. Adm. Code, which has been adopted by the board of directors.)

6. Earnings Distributed on Withdrawals. (This part is to be used only in the event the association has adopted the form of Single Payment Certificate under Option 3 of Sec. S-L 5.08(1)(c), Wis. Adm. Code)

Amounts withdrawn prior to the end of a qualifying period shall receive earnings at the rate of (4) per cent per annum from the date of the certificate or the renewal date thereof to the date of withdrawal, provided however that the amount withdrawn was outstanding for a period of not less than 6 months."

- (1) Insert announced earnings rate on regular accounts
- (2) Insert rate of earnings on single payment certificates
- (3) Insert minimum qualifying amount of certificate
- (4) Insert rate of earnings to be distributed on withdrawals

S-L 24.04 NOTICE OF AVAILABILITY TO MEMBERS

Each association, which determined by resolution, as described in Sec. S-L 24.03, to issue single payment certificates which receive earnings at a rate or rates higher than its announced rate distributed on regular accounts, shall within 30 days give notice of such determination by at least one of the following means:

- (1) By mail to all members having a withdrawable account of at least the qualifying amount; or
- (2) By posting of a notice in a conspicuous place in the office of the association for so long as the association continues to offer the plan; or
- (3) By publication in a newspaper of general circulation in the city or county in which the office is located.

S-L 24.05 INITIAL QUALIFYING PERIOD OF ISSUE

Any association may elect to issue single payment certificates for the initial period of not less than 6 months nor more than 12 months. The necessity for this latitude in setting up the initial qualifying period is to enable the association to have the initial qualifying period terminate on a regular earnings distribution date. The automatic succeeding renewal qualifying periods should be for 6 months so as to have all qualifying periods end on regular earnings distribution dates.

S-L 24.06 PAYMENT OF EARNINGS

Earnings are distributable on single payment variable rate certificates as determined by the board of directors by the adoption of any one of the following options:

(1) Option No. 1

Regular earnings as determined by the board shall be distributed on the association's regular earnings distribution date. Extra earnings shall be distributed upon completion of the qualifying period.

NOTE: If this option is used, then the form of single payment variable rate certificate as appearing in Sec. S-L 5.08(1)(a), Wis. Adm. Code, must be adopted by the directors.

(2) Option No. 2

Regular earnings as determined by the board shall be distributable on the association's regular earnings distribution date. Extra earnings shall be distributable upon completion of the qualifying period. If the associations so elect, the total anticipated rate of earnings may be indicated in the certificate.

NOTE: If this option is used, then the form of single payment variable rate certificate, as appearing in Sec. S-L 5.08(1)(b), Wis. Adm. Code, must be adopted by the directors.

(3) Option No. 3

On the qualified amount of this certificate at the expiration of the period ending \_\_\_\_\_ (Date) \_\_\_\_\_, it is anticipated, subject to final determination of the board, that the holder will be paid earnings at the rate of \_\_\_\_\_ per cent per annum. Amounts withdrawn prior to such date shall receive earnings on the following basis, but in no event less than 50% of the regular rate of earnings: Unless the funds, represented by this certificate, have been outstanding for a period of not less than 6 months, as the result of an exchange of an existing savings account or the opening of a new account as of the date hereof, earnings shall be distributed at the rate equivalent to (1) % of the regular announced rate.

(1) Insert the percentage of regular earnings to be paid on withdrawals prior to completion date.

NOTE: If this option is used, then the form of single payment variable rate certificate, as appearing in Sec. S-L 5.08(1)(c), Wis. Adm. Code, must be adopted by the board.

S-L 24.07 EARNINGS DECLARED AND UNPAID

So long as the association has any single payment variable rate certificates outstanding, prior to the expiration of the initial

qualifying period or successive qualifying period, a reserve for undistributed earnings shall be maintained under the caption of "Earnings Declared and Unpaid."

S-L 24.08 DISCONTINUANCE OF PAYMENT OF EXTRA EARNINGS ON SINGLE PAYMENT VARIABLE RATE CERTIFICATES

- (1) Appropriate notice to holders of single payment variable rate certificates participating in extra earnings shall be made 30 days or more prior to the expiration of a qualifying period, when the board of directors, by resolution, determines to discontinue such payment of extra earnings.
- (2) Upon discontinuance of payment of extra earnings on single payment variable rate certificates, the association shall call in and cancel such certificates, and in lieu thereof, issue either a passbook savings account, as authorized by Sec. S-L 5.02(1), Wis. Adm. Code, or a certificate of earnings account as authorized by Sec. S-L 5.03, Wis. Adm. Code.

S-L 24.09 USE OF PASSBOOKS PROHIBITED

The imprinting of or attaching of the single payment variable rate certificate in a passbook or an account book showing a record of payments and withdrawals is prohibited.

S-L 24.10 CERTIFICATION BY ASSOCIATION'S ATTORNEY

If the association is one whose members' accounts are insured by the Federal Savings and Loan Insurance Corporation, the association's attorney must submit an opinion to the Federal Savings and Loan Insurance Corporation that:

- (1) The association's articles of incorporation and bylaws and terms of any other currently issued forms of accounts are not inconsistent with the Rules and Regulations for Insurance of Accounts;

- (2) The association's articles of incorporation and bylaws permit the payment of variable earnings rates; and
- (3) The security form of the single payment variable rate certificate conforms to Wisconsin law.

S-L 24.11 SUPERVISORY APPROVAL EVIDENCE

If the association is one whose members' accounts are insured by the Federal Savings and Loan Insurance Corporation, the association must submit evidence to the Federal Savings and Loan Insurance Corporation that the Savings and Loan Commissioner of Wisconsin has no objection to the issuance of a single payment variable rate certificate as authorized under this Chapter.

S-L 24.12 MAXIMUM AMOUNT OF SINGLE PAYMENT VARIABLE RATE CERTIFICATES

No association may issue any single payment variable rate certificate at any time the aggregate of single payment variable rate certificates, authorized by this Chapter, and all bonus plan accounts as authorized by Chap. S-L 10, Wis. Adm. Code, including single payment savings account certificates participating in bonus earnings, exceeds 50% of the association's total savings capital.

S-L 24.13 GENERAL

Nothing in this Chapter prohibits an association from issuing single payment variable rate certificates for an initial 6 month qualifying period, said initial qualifying period terminating between regular earnings distribution dates. In instances of this type, the association must make full provision for any unpaid earnings declared during such initial period as required under Sec. S-L 24.07. Payment of earnings at the termination of the initial qualifying period is hereby authorized by the Savings and Loan Commissioner pursuant to the provisions of Sec. 215.02(12), Wis. Stats.

2. That in view of the fact that the subject matter of Order No. 64 is for the purpose of bringing up existing rules and creating new rules to conform to the requirements of comparable Federal Rules and Regulations recently promulgated 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. 64 shall become a part of the Rules of the Savings and Loan Department, Wisconsin Administrative Code, effective January 1, 1967, after publication thereof in the Wisconsin Administrative Register for December, 1966, No. 132.



Leo Mortensen  
Commissioner

This Order was approved by the Savings and Loan Advisory Committee on November 29, 1966.