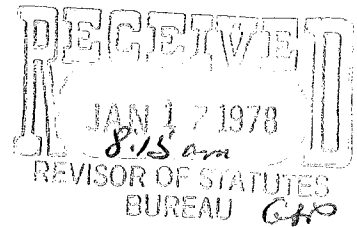


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CERTIFICATE



STATE OF WISCONSIN)

OFFICE OF THE COMMISSIONER OF CREDIT UNIONS)

TO ALL TO WHOM THESE PRESENTS SHALL COME, GREETINGS:

I, WILLIAM H. HUGHES, Commissioner of the Office of the Commissioner of Credit Unions, and custodian of the official records of said department, do hereby certify that the annexed recreation of chapter CU 60 relating to dividends payable on member share accounts and deposit accounts was duly approved and adopted by this department on September 16, 1977.

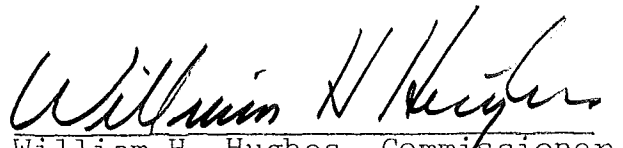
I further certify that, as required by Chapter 162, Laws of 1973, I did on December 2, 1977, notify the chairman of the senate commerce committee and the chairman of the assembly committee on insurance and banking that a public hearing was held on November 14, 1977, at 10:00 A.M. in Room 734, Hill Farms State Office Building, Madison, Wisconsin, as required by section 227.021, Wis. Stats.

I further certify that 30 days have passed since the aforementioned notification during which time I have not been requested by said chairmen to appear before either committee relative to the annexed proposed rule and regulation.

I further certify that the annexed recreation of Chapter CU 60 of the Wisconsin Administrative Code, Rules of the Office of the Commissioner of Credit Unions 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 and that Section 227.018 (2), Chapter 162, Laws of 1973, has been complied with.

IN TESTIMONY WHEREOF, I have set my hand and affixed the official seal of the department at the Office of the Commissioner of Credit Unions in the City of Madison, this 11th Day of January, A. D. 1978.

By:


William H. Hughes, Commissioner

ORDER OF THE OFFICE OF THE COMMISSIONER OF CREDIT UNIONS
ADOPTING, AMENDING OR REPEALING RULES

Pursuant to authority vested in the Office of the Commissioner of Credit Unions by section 186.23, Wis. Stats., the Commissioner of Credit Unions hereby repeals, amends, and adopts rules as follows:

Section CU 60 of the WISCONSIN ADMINISTRATIVE CODE is repealed.

Section CU 60 of the WISCONSIN ADMINISTRATIVE CODE is recreated to read:

Chapter CU 60

DIVIDENDS PAYABLE ON MEMBER SHARE ACCOUNTS AND DEPOSIT ACCOUNTS

CU 60.01 Maximum dividend. (1) The maximum rate of dividends payable by a credit union or a central credit union on all member share accounts and all deposit accounts shall not exceed 6% per annum without the prior written approval of the commissioner of credit unions.

(2) The maximum rate of dividends payable by a credit union or a central credit union on each classification of member share or deposit accounts shall not exceed 6% per annum without the prior written approval of the commissioner of credit unions.

(3) The rate of dividends declared by a credit union or a central credit union on each classification of member share and deposit accounts shall be paid to all like accounts complying with the minimum requirements as determined by the credit union board of directors for the establishment of that savings account.

ORDER OF THE OFFICE OF THE COMMISSIONER OF CREDIT UNIONS
ADOPTING, AMENDING OR REPEALING RULES

CU 60.02 Dividend periods. In order for dividends to be paid more frequently than quarterly, the credit union board of directors must secure the prior written approval of the commissioner of credit unions. Subject to the requirements of CU 60.01 and CU 60.02, dividends may be calculated and paid on passbook time accounts and certificate of deposit accounts on a daily basis.

CU 60.03 Grace period in the computing of dividends. A credit union or a central credit union may pay dividends on member share accounts, deposit accounts or certificate of deposit accounts accepted during the first 10 calendar days of any month retroactive to the first day of that month at the applicable rate established, or the rate to be declared, for such classification of savings. The application of this authority must apply to all like classification of savings.

CU 60.04 Time and certificate of deposit accounts. (1)
(a) The credit union board of directors may establish and guarantee in advance the rate of dividend on passbook time and certificate of deposit accounts subject to the limitations of CU 60.01 and CU 60.02.

(b) Definitions. 1. "Passbook" shall include any book, statement of account or other record approved by the commissioner of credit unions in which shall be entered all monies paid by the individual to the credit union and all monies received by the individual from the credit union.

2. The term "certificate of deposit" means a deposit evidenced by an instrument which provides on its face the amount of such deposit that is payable:

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- a. On a certain date specified in the instrument, not less than 30 days after the date of the deposit; or
- b. At the expiration of a specified period not less than 30 days after the date of the instrument; and
- c. Any penalty which may be exercised by the credit union for the early or premature cashing of the certificate prior to its maturity.

(2) (a) The maturity date of passbook time deposit accounts shall not be less than 90 days or more than one year. If mutually agreeable to the credit union and the passbook time account holder, the passbook time deposit may be extended or renewed at maturity for a period of time not to exceed one year.

(b) Other than for dividends credited to the passbook time account, the board of directors may authorize that additional deposits to such passbook time accounts may be accepted provided that the acceptance of such deposit shall automatically extend the maturity date of all monies in that passbook time account for the same period of time, at the same rate of dividend and with the same penalty provision as existed prior to that additional deposit.

(c) Withdrawals from passbook time accounts prior to maturity shall be penalized by one or more of the following: the forfeiture of the dividends accrued or paid on the amount(s) withdrawn; or 3 months dividends on the amount(s) withdrawn or reversion to the passbook dividend rate on member share accounts or both. If necessary, the penalty imposed may be deducted from the amount(s) deposited.

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ADOPTING, AMENDING OR REPEALING RULES

(3) (a) Subject to the limitations of CU 60.01 (1) and (2), the board of directors may establish and guarantee in advance the rate of dividends on time certificates of deposit with a maturity date of not less than 30 days or more than 6 years. If mutually agreeable to the credit union and to the holder, the certificate of deposit may be extended at maturity. However, the dividend rate of the extended certificate of deposit and the extended maturity date must be for the same period of time as originally issued. If the dividend rate is to be increased or decreased or the maturity date of the certificate of deposit decreased or increased, the certificate must be cancelled and a new certificate issued reflecting the different dividend rate or maturity date or both.

(b) The penalty for the payment of a certificate of deposit prior to its maturity if issued at a dividend rate of 6 3/4% per annum or less shall be established by the board of directors from the following: the forfeiture of the equivalent of 3 months dividends on the certificate; or a reduction from the date the certificate was issued or extended, whichever is less, to the most recent dividend rate paid by the credit union on member shares; or both.

(c) Certificates of deposit paid prior to maturity with a dividend rate in excess of 6 3/4% per annum must have a penalty of the equivalent of the forfeiture of 3 months dividends on the certificate plus the forfeiture by a reduction of the dividend previously paid on the certificate from the date the certificate was issued or extended, whichever is less, to the most recent dividend rate paid by the credit union on member shares.

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ADOPTING, AMENDING OR REPEALING RULES

(d) If necessary, the penalty imposed for the premature cashing of a certificate of deposit may be deducted by the credit union from the principal amount of the certificate.

(4) Unless it has been agreed by the credit union and the holder of the passbook time deposit account or the holder of the certificate of deposit that it is to be extended, no dividend need be paid on the passbook time deposit account or certificate of deposit subsequent to the date of maturity. However, the holder of the passbook time deposit account or the certificate of deposit must receive at least 10 days written notice prior to its maturity.

(5) (a) The rate of dividend guaranteed by the board of directors on passbook time accounts and certificates of deposit shall terminate without penalty to the credit union upon dissolution of the credit union or if the commissioner of credit unions takes possession of the credit union.

(b) Other than to the issuing credit union, passbook time deposit accounts and certificates of deposit shall be assignable only by the credit union board of directors with the prior written approval of the commissioner of credit unions.

(6) In bona fide hardship cases, the credit union board of directors may waive the penalty for the premature cashing of a passbook time deposit account or a certificate of deposit account. However, the approval for each individual case and the reason for the request to waive the penalty must be recorded in the credit union corporate minutes. Examples of hardship cases requiring the proceeds of the certificate would include severe costs due to the illness of the owner of the account, terminal illness, death of the holder or similar catastrophic occurrences.

ORDER OF THE OFFICE OF THE COMMISSIONER OF CREDIT UNIONS
ADOPTING, AMENDING OR REPEALING RULES

CU 60.05 Prior claim of deposit accounts. All member deposit accounts, including time deposits, shall have a prior claim over member share accounts of the available cash and subsequent cash receipts of the credit union. This priority to available cash would also exist during the imposition by the board of directors of the requirement that the member give to the credit union 30 days written notice of his intention to withdraw the whole or any part of the amount paid in by him on share accounts.

The rule contained herein shall take effect as provided in section 227.026(1), Wis. Stats.

Dated: OFFICE OF THE COMMISSIONER OF CREDIT UNIONS

By 
William H. Hughes, Commissioner