

S-L 9



Office of Commissioner of Savings and Loan

STATE OF WISCONSIN)
OFFICE OF COMMISSIONER OF SAVINGS AND LOAN)

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G. O. S. Bureau
Revisor of Statutes

ORDER NO. 115

I. R. J. McMahon, Commissioner of Savings and Loan and custodian of the official records of the Office of Commissioner of Savings and Loan, do hereby certify that the annexed Order No. 115 relating to prohibiting certain loans by state chartered savings and loan associations, was duly approved and adopted by this office on March 1, 1982.

I further certify that the copy of the Order annexed hereto has been compared by me with the original on file in this office 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 this office in the City of Madison this 9th day of March, 1982.



R. J. McMahon
R. J. McMahon, Commissioner

5-1-82

ORDER OF THE
OFFICE OF THE COMMISSIONER OF SAVINGS AND LOAN
ADOPTING, RENUMBERING AND AMENDING RULES

ORDER NO. 115

WHEREAS, the rules embodied by this order were submitted to the Legislative Council staff as required under section 227.029 of the Wisconsin Statutes; and

WHEREAS, in accordance with section 227.021 of the Wisconsin Statutes official notice of a hearing on the rules embodied by this order was published in the Wisconsin Administrative Register of October 31, 1981; and

WHEREAS, pursuant to that notice a public hearing was held on November 18, 1981, at which a draft of the attached rule was the topic of discussion; and

WHEREAS, following that hearing a final draft of the rule was approved by the Commissioner of Savings and Loan and the Savings and Loan Review Board; and

WHEREAS, on December 15, 1981, the final draft of the rule was submitted to the presiding officers of the Senate and Assembly and was referred by those officers to the appropriate standing committee on December 16, 1981 and December 17, 1981, respectively, all in accordance with section 227.018 of the Wisconsin Statutes; and

WHEREAS, neither legislative standing committee has objected to any portion of the proposed rule and the time for so doing has expired;

Now, Therefore, pursuant to the authority vested in the Commissioner of Savings and Loan and the Savings and Loan Review Board by sections 215.02(7)(a) and 227.014(2)(a), Wisconsin Statutes, the Office of the Commissioner of Savings and Loan hereby adopts rules as follows:

ORDER OF THE OFFICE OF THE COMMISSIONER OF
SAVINGS AND LOAN ADOPTING, RENUMBERING
AND AMENDING RULES

AN ORDER to renumber S-L 9.02(1) to (9), amend S-L 9.02(5) and (6), as renumbered, and S-L 9.04(1) and (2)(Intro.) and create S-L 9.02(1) of the administrative code, relating to prohibiting certain loans by state chartered savings and loan associations.

Analysis by the Office of the Commissioner of Savings and Loan

Under section 215.21(17)(b)2. of the statutes the commissioner of savings and loan has the responsibility to by rule prohibit loans by state chartered savings and loan associations to persons the commissioner designates to avoid conflicts between the best interest of the association and the interests of those persons. The office of the commissioner of savings and loan has adopted chapter S-L 9 regulating "insider" loans. This rule makes clear that advisory and emeritus directors of state chartered savings and loan associations are within the scope of the rule regulating loans to "insiders".

Pursuant to authority vested in the commissioner of savings and loan and the savings and loan review board by sections 215.02(7)(a), 215.21(17)(b)2. and 227.014(2)(a), Stats., the office of the commissioner of savings and loan renumbers, amends and creates rules interpreting section 215.03(1) and 215.21(17), Stats., as follows:

SECTION 1. S-L 9.02(1) to (9) of the administrative code are renumbered S-L 9.02(2) to (10) and S-L 9.02(5) and (6), as renumbered, are amended to read:

S-L 9.02(5) "Director" means a person who is a member of a board of directors, but does not include a ~~nonvoting~~ an advisory director ~~or director emeritus~~.

NOTE: Advisory directors are excluded from the definition of directors but included in the definition of employe.

(6) "Employe" means a person who is employed:

(a) Employed by an association and is directly involved in approving loans made by the association or determining the terms or conditions under which any specific loan is made; or

(b) An advisory director.

NOTE: Persons performing functions of advisory director or director emeritus are "employes" under this definition.

SECTION 2. S-L 9.02(1) of the administrative code is created to read:

S-L 9.02(1) "Advisory director" means a person holding a position on a board or committee of an association which provides advice to the association with respect to marketing, savings or loan programs or similar subjects but who does not have authority to make decisions regarding those matters.

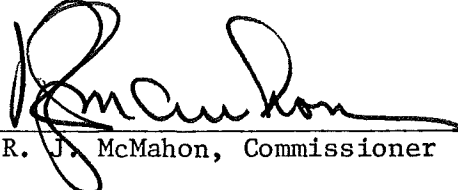
SECTION 3. S-L 9.04(1) and (2) (intro.) of the administrative code are amended to read:

S-L 9.04 (1) REPORTING REQUIREMENTS. At least once each year the board of directors of each association shall obtain from each of the association's officers, directors and employes, other than employes serving solely as advisory directors, a sworn statement containing the information required under subsection (2). Each officer, each director, and each employe, other than an employe serving solely as an advisory director, of an association shall provide the association with such a statement and shall disclose any new reportable interest to the board within one month after its acquisition.

(2) (intro.) INTERESTS TO BE DISCLOSED. The report required under sub. (1) shall identify the following interests or positions currently held by the officer, director or employe or his or her spouse or legal dependent:

SECTION 4. EFFECTIVE DATE. This order takes effect on the first day of the month following its publication in the Wisconsin administrative register.

Dated: March 9, 1982



R. J. McMahon, Commissioner