

mill pond in the town and village of Wautoma, Richford mill pond in the town of Richford, White River Power Company's ponds in the towns of Dakota, Deerfield and Wautoma, and Lake Poygan.

SECTION 2. This act shall take effect upon passage and publication.

Approved June 1, 1931.

No. 238, A.]

[Published June 3, 1931.

CHAPTER 171.

AN ACT to renumber subsection (6) of section 215.01 to be paragraph (a) of subsection (6) of section 215.01, section 215.17 to be subsection (1) of section 215.17, section 215.19 to be subsection (1) of section 215.19; to amend sections 215.08, 215.13, 215.24, 215.311, 215.38 and 215.43; and to create paragraph (b) of subsection (6) of section 215.01, subsection (2) of section 215.19 and subsection (4) of section 215.312 of the statutes, relating to building and loan associations.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

SECTION 1. Subsection (6) of section 215.01 is renumbered to be paragraph (a) of subsection (6) of section 215.01, section 215.17 is renumbered to be subsection (1) of section 215.17, and section 215.19 is renumbered to be subsection (1) of section 215.19 of the statutes.

SECTION 2. Sections 215.08, 215.13, 215.24, 215.311, 215.38 and 215.43 are amended to read: 215.08 The capital stock of any such association shall not exceed five million dollars, except that when any association shall have issued stock to the amount of ninety per cent of its authorized capital it may amend its articles of incorporation to provide for an increase of capital not exceeding five million dollars; the same may be divided into two or more classes. Stock in any class may be made issuable at any time or in successive series, in such amount as may be provided in the by-laws, or in the absence of such provision, as the directors may determine. If issued in successive series no series shall exceed five hundred thousand dollars nor one-tenth of the aggregate capital stock. The capital stock shall be divided into shares of a par value of not less than one hundred dollars nor more than two hundred dollars each, payable in periodical instalments, called dues, not less

than forty cents or more than * * * ten dollars each per share per month. When the demand for legitimate loans exceeds the income of the association applicable for loans, then the association may issue its paid-up stock to an amount sufficient to meet such demand for loans. When such association shall accumulate funds in excess of its requirements for legitimate loans, then such paid-up stock shall be retired in such manner as the by-laws provide or as the board of directors may determine. No association after the passage of this act shall be permitted to issue paid-up stock in excess of the ratio of two to one of instalment stock book value.

215.13 When, *by making regular weekly or monthly payments as provided for in section 215.08*, any stock shall have reached its matured value payment of dues thereon shall cease. Borrowers shall be entitled to have their securities released and returned to them. The holders of unpledged shares shall be paid out of the funds of the association the matured value thereof, with such rate of interest or dividends as shall be determined by the by-laws, from the time the directors shall declare such stock to have matured until paid. And when such maturity is reached between the dates of adjustment of profits the holders of stock maturing shall, in addition to the value thereof, be entitled to interest or dividends at such rate as may be fixed by the by-laws or determined upon by the directors, based upon the last apportionment, for all full months from the date of the preceding adjustment, or they may elect to continue payments of dues until the next date of adjustment of profits, at which time they shall be entitled to receive all dues paid and profits apportioned; provided, that at no time shall more than one-half of the monthly receipts of the association be applicable to the payment of matured shares without consent of the directors; but they may, at any time before maturity, retire unpledged shares by enforcing the withdrawal of the same as prescribed in the by-laws or articles of incorporation.

215.24 (1) Semiannually, or annually, on regular dividend paying dates as specified in the by-laws, the gross earnings of the association shall be ascertained, from which shall first be deducted the expenses of the association, and from the balance shall be set aside the fund for the payment of contingent losses hereinafter provided for. The balance of the profits shall be declared as a dividend; but no dividend shall be paid or credited except such as

have been declared upon said dates; except by building and loan associations, the majority of whose stock is owned by the employes of public utility, street and interurban railway companies and their associated companies, in which associations earned dividends may be credited and paid at any time; the proportionate amounts may be placed to the credit of holders of instalment stock, and holders of paid-up stock may receive their dividend in cash; provided, that if at the time of such dividend period there be not a sufficient amount in the contingent fund for the payment of losses then existing, no dividend shall be declared and no dividend shall be apportioned or credited on instalment stock and no dividend shall be apportioned, credited or paid on paid-up stock until all losses have been fully paid. Before any dividend shall be declared, credited or paid, at least five per cent of the net profits shall be set aside as a fund for the payment of contingent losses, until such fund reaches at least five per cent of the outstanding loans. All losses shall be paid out of such fund until the same is exhausted, and whenever said fund falls below five per cent of the loans aforesaid it shall be replenished by regular appropriations of at least five per cent of the net earnings, as hereinbefore provided, until it again reaches said amount. *The rate of dividend declared and paid upon paid-up stock shall not exceed the rate declared and credited at the same time upon instalment stock, all dividends to be computed by a uniform method as prescribed by the commissioner.*

(2) At the close of each fiscal year, and at such other time as the commissioner of banking and the building and loan supervisor may direct or the board of directors may determine, it shall be the duty of the president to appoint a committee of five, three of whom shall be members of the board of directors, and two shall be stockholders, not directors. It shall be the duty of this committee to examine the assets, books and accounts of the association. In lieu thereof the board of directors may by resolution incorporated in the minute book of the association employ a firm of public accountants to check the assets of the association and determine any losses which may have been sustained, and make a report of all of their findings to the board of directors. It shall thereupon be the duty of the board of directors to charge off all losses so reported, and if there be not a sufficient amount in the contingent fund and the net profits for the period for the payment of such losses,

then such losses, or the balance unpaid, shall be apportioned according to the * * * *book value* of all shares outstanding, whether instalment or paid-up stock, and the proportionate amount shall be charged to each member, except in the case of delinquent associations in which case the losses shall be assessed according to the book value of the shares.

215.311 The commissioner of banking shall employ in the banking department a competent person for the supervision and examination of the building and loan associations, who shall be under the direction and control of the commissioner of banking. No person shall be eligible to such appointment unless he shall have had at least three years actual experience in the business of conducting a building and loan association, or has served an equal length of time in the building and loan supervisory department of this or some other state, and who shall receive a salary not to exceed the salary paid by the banking department to the * * * *deputy banking commissioner* of the banking department, and who shall file a corporate surety bond in the amount of ten thousand dollars to be approved by the commissioner of banking.

215.38 No foreign building and loan association and no foreign association or corporation representing itself to be a building and loan association or doing business on the building-society plan, and no association or corporation organized under the laws of any other state or territory and doing business in the manner provided for mutual loan and building associations by this chapter * * * shall issue its shares, receive moneys or transact any business in this state unless such association shall have and keep on deposit with the state treasurer, in trust for the benefit and security of all its members in this state, five hundred thousand dollars to be held in trust as aforesaid until all shares of such association held by residents of this state shall have been fully redeemed and paid off and until its contracts and obligations to persons and members residing in this state shall have been fully performed and discharged; the securities comprising such deposit shall first be approved by the commissioner of banking under the same rules and regulations governing the approval of securities of trust company banks; and upon such deposit being made the state treasurer shall issue a certificate therefor, and thereupon the commissioner of banking may issue his certificate of authority to said association to transact business in this state.

215.43 The name "building and loan association," as used in this chapter, shall include all societies, organizations or associations doing a *mutual* saving and loan or investment business on the *local mutual* building association plan, * * * whether issuing certificates of stock or bonds, or any other evidences of indebtedness, whether the time of maturity be fixed or not.

SECTION 3. A new paragraph is added to subsection (6) of section 215.01 and new subsections added to section 215.19 and 215.312 of the statutes to read: (215.01) (6) (b) The certificate so issued shall be void after ninety days from date of issue, except that the commissioner may for good cause, after a hearing held, extend the time limit of such certificate for a further period not exceeding thirty days.

(215.19) (2) In all foreclosure actions, if the association shall recover, the judgment shall fix the amount of the mortgage debt then due and also the amount of each instalment thereafter to grow due and the several times when they will become so due, and shall adjudge that the mortgaged premises be sold for the payment of the amount adjudged to be then due and of all instalments which shall thereafter grow due before the sale or so much thereof as may be sufficient to pay such amount for principal, interest and costs, including costs of sale, and when demanded in the complaint, an order directing that judgment be rendered for any deficiency against the parties personally liable therefor; but no such sale shall be made until the expiration of one year from the date of such judgment or order of sale; and when judgment is for instalments due and to grow due and payment shall be made within the one year of the instalments found due at the date of the judgment, with interest and costs, no sales shall be made upon any instalment growing due after the date of judgment until the expiration of one year after the same shall become due; but in all cases the parties may, by stipulation in writing, to be filed with the clerk, consent to an earlier sale. Provided, however, that the parties against whom such judgment has been rendered may before the expiration of such one year from the date of entry of such judgment pay to such association as judgment creditor an amount equal to ten per cent of such judgment plus the interest on such judgment to date and the order of sale shall be extended for a further six months period; such parties may further before the expiration of such extended six months period, pay to the judgment creditor

a further amount equal to ten per cent plus the interest to date upon the balance of such judgment and the order of sale shall be extended for a further six months period.

(215.312) (4) Any association failing to pay the above assessment by the fifteenth day of June of each year shall, if the commissioner shall so order, forfeit a penalty of ten dollars for each day it neglects and fails to pay such assessment.

SECTION 4. This act shall take effect upon passage and publication.

Approved June 2, 1931.

No. 492, A.]

[Published June 3, 1931.

CHAPTER 172.

AN ACT to create section 215.155 of the statutes, relating to pledges of building and loan stock.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

SECTION 1. A new section is added to the statutes to read: 215.155 Whenever any borrower shall have, with the consent of the board of directors, refinanced his mortgage loan, he may, with the approval of such board of directors, defer the payment of charges or any part thereof in connection with such refinancing, until such time as the mortgage loan is repaid or until such time as the pledged shares shall have been declared forfeited as provided for in section 215.19. The borrower shall execute and give to the association a nonnegotiable note for the amount of such unpaid charges but no interest shall be charged thereon.

SECTION 2. This act shall take effect upon passage and publication.

Approved June 2, 1931.

No. 622, A.]

[Published June 3, 1931.

CHAPTER 173.

AN ACT to create section 207.15 of the statutes, relating to the creation of trusts in life insurance policies.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows: