

1977 Assembly Bill 981

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CHAPTER 244, Laws of 1977

AN ACT to amend 222.13 (1) (d) and (2), 222.14 (1), 222.16, 222.20 and 222.21 (1) (a); and to create 222.13 (1) (e) of the statutes, relating to mutual savings banks.

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

SECTION 1. 222.13 (1) (d) and (2) of the statutes are amended to read:

222.13 (1) (d) In bonds ~~and~~, debentures and commercial paper of recognized bank investment quality issued by any corporation organized under the laws of the United States or any state, in banker's acceptances and in certificates of deposit in depositories approved by the commissioner of banking, subject to the further limitations and conditions that at the time of such investment the aggregate of the reserves and undivided profits of the bank is at least equal to 5% of the deposits of the bank and that immediately upon the making of any investment ~~in any aforementioned bonds and debentures~~ under this paragraph, the aggregate amount of all ~~bonds and debentures eligible investments~~ under this paragraph does not exceed 50% of its deposits, and the quantity of the ~~aforementioned bonds and debentures investments~~ of the same class and issue then held by the bank ~~shall~~ does not exceed 25% of ~~said~~ the bank's guaranty fund and undivided profits.

(2) All other loans, except as provided in s. 222.14, shall be secured by mortgage on ~~unencumbered~~ real estate ~~lying in this state or immediately adjoining states~~. No loan shall be made upon real estate to any amount exceeding 80% of the value thereof as determined by not less than a majority of the members of the finance committee who shall duly certify to the value of the premises to be mortgaged, according to their best judgment, and such report shall be filed and preserved with the records of the corporation.

All loans shall be completely amortized within 30 years. The total amount of any first real estate loan or mortgage loan secondary to federal housing administration loans may exceed the limit ~~herein~~ stated in this subsection when ~~such the~~ excess is guaranteed under the servicemen's readjustment act of 1944, P.L. 78-346, and acts amendatory thereto and supplemental thereto.

SECTION 2. 222.13 (1) (e) of the statutes is created to read:

222.13 (1) (e) In unsecured federal funds, subject to the same rules as the commissioner of banking prescribes for investment in unsecured federal funds by state banks.

SECTION 3. 222.14 (1) of the statutes is amended to read:

222.14 (1) No ~~such~~ mutual savings bank ~~shall~~ may loan any money upon any obligation unless the ~~same~~ loan is secured by collateral in which the bank might invest its funds or on which it might loan its money to the extent authorized by s. 222.13, but personal obligation loans may be made not supported by such collateral to an extent of ~~5%~~ 15% of the assets of ~~said the~~ bank. No such loan ~~shall~~ may exceed ~~\$7,000 and \$15,000~~. Such loans shall be payable in not to exceed 5 years, and 32 days at the maximum interest allowed by the law under ch. 138 or ~~ch.~~ 422 as applicable, except any loan in excess of \$1,000 shall be fully secured or supported by a current sworn financial statement.

SECTION 4. 222.16 of the statutes is amended to read:

222.16 Income, how divided, guaranty fund. The income or earnings of every mutual savings bank after deduction of all reasonable expenses and reserves incurred in the management thereof, and the amounts reserved for a guaranty fund, shall be divided among the depositors or their legal representatives not less than quarterly at the times approved by its trustees. Every ~~such~~ mutual savings bank shall, before making any disbursement of earnings, reserve as a guaranty fund from the net earnings which have accumulated during the period then next preceding, a sum equal to not less than ~~8%~~ 6% of the net earnings for the preceding period, until the sum total of the guaranty fund and undivided profits are equal to ~~10%~~ 8% of the year end deposits of the bank as provided in s. 220.075 (4) and so that the guaranty fund is not less than ~~8%~~ 6% of year end deposits.

SECTION 5. 222.20 of the statutes is amended to read:

222.20 Reserves. Every ~~such~~ mutual savings bank shall keep on hand or on deposit in banks approved by the commissioner of banking as reserve banks, at least 5% of its total deposit. United States government obligations owned by ~~such a~~ mutual savings bank, not in excess of ~~2%~~ 3.5% of ~~said the~~ total deposit, may be considered as a part of ~~such the~~ required reserve. Deposits shall be calculated on the basis of a 14-day average to determine compliance with the reserve requirements of this section.

SECTION 6. 222.21 (1) (a) of the statutes is amended to read:

222.21 (1) (a) Every mutual savings bank formed ~~hereunder~~ under this chapter shall possess the powers and be subject to the ~~provisions of the~~ general laws relating to corporations, so far as ~~the same may be~~ applicable, and shall be subject to all of the provisions of ss. 220.04, 220.05, 220.07, 220.08, ~~220.081, 220.082, 220.085,~~ to 220.086, 220.10, 221.04 (1) (j) and (k) and (3), 221.045, 221.046 and 221.31. ~~Any corporation now organized and doing business as a mutual savings bank shall continue business under this chapter and shall be subject to all of its provisions.~~