

Chapter S—L 12

LEGAL RESERVE REQUIREMENTS

S-L 12.01 Required periodic transfers to reserves. S-L 12.03 Additional reserve transfers required by the commissioner.

History: Chapter S-L 12 as it existed on March 31, 1975 was repealed and a new chapter S-L 12 was created, effective April 1, 1975.

S-L 12.01 Required periodic transfers to reserves. (1) **INSURED ASSOCIATIONS.** At the close of each period each insured association shall make transfers to its legal reserve in an amount as required and determined from time to time by the commissioner under section 215.24, Wis. Stats.

(2) **NONINSURED ASSOCIATIONS.** (a) *Transfers required.* At the close of each period each noninsured association shall transfer to its legal reserve an amount equal to the lesser of the following:

1. 10% of the sum of the association's net income during the period and the earnings distributed by the association during the period.

2. An amount sufficient to annually increase the ratio of the association's net worth to net assets after deducting those assets qualifying as liquidity under chapter S-L 16 to a level at least .25% higher than that at the close of the association's preceding fiscal year.

3. An amount sufficient to reach the level specified in paragraph (b).

(b) *Suspension of transfers upon attaining specified reserve levels.* No transfer need be made under section S-L 12.01 (2) if the association's net worth at the close of the period is equal to or exceeds 10% of the association's net assets at the close of that period after deducting those assets qualifying as liquidity under chapter S-L 16 and the legal reserve is equal to or exceeds 7% of such assets.

History: Cr. Register, March, 1975, No. 231, eff. 4-1-75.

S-L 12.03 Additional reserve transfers required by the commissioner. Where he considers such action necessary or desirable, the commissioner may require an association to maintain a higher level of legal reserve and may limit, restrict or prohibit an association from declaring a rate of earnings distribution on any or all classes of savings accounts until such level is attained.

History: Cr. Register, March, 1975, No. 231, eff. 4-1-75.