

## Chapter S-L 22

### REAL ESTATE INVESTMENTS

#### S-L 22.01 Real estate investments

**S-L 22.01 Real estate investments. (1) DEFINITION.** For the purpose of this chapter, the term, "real estate investments," means the purchase of real estate or interests therein, including improvements to be made thereto.

(2) **WHEN PERMITTED.** Any association, whose net worth is equal to or exceeds 5% of savings capital, and whose scheduled items do not exceed 3% of total assets, may, under the permissive authority of section 215.13 (42), Wis. Stats., invest in real estate or interests in real estate.

(3) **AGGREGATE OF REAL ESTATE INVESTMENTS.** The aggregate of real estate investments made under the authority of section 215.13 (42), Wis. Stats., shall not exceed 5% of the association's total assets. This authority is in addition to the investment in association office building permitted under section 215.22 and section 215.23, Wis. Stats.

(4) **ELIGIBLE TYPE OF REAL ESTATE.** Any type of real estate, which may be accepted by the association as security for mortgage loans, is eligible within the meaning of this chapter.

(5) **LOCATION OF REAL ESTATE.** Any real estate purchased or interests therein purchased by an association for investment purposes must be located within the lending area of the association.

(6) **OTHER REQUISITES.** Prior to consummation of any purchase of real estate or interests therein, the association shall:

(a) Obtain an appraisal report by an independent appraiser who is a member of a recognized professional appraisal group, organization or society; and

(b) Obtain a current operating statement or projected operating statement of the property to be purchased; and

(c) Obtain feasibility studies of the property and the locality in which the property is located to warrant such investment; and

(d) Obtain specific authority, by appropriate board resolution, for each real estate investment; and

(e) Submit all data, described in paragraphs (a) to (d) above to the savings and loan commissioner.

(7) **DISCRETIONARY AUTHORITY OF COMMISSIONER.** The commissioner may, on an individual case basis, limit or prohibit an association's investment in real estate.

(8) **PROTECTION OF INTEREST.** Prior to the consummation of the purchase of real estate or interests therein, the association shall take all usual and customary steps necessary to protect its interest in the security.

**History:** Cr. Register, December, 1969, No. 168, eff. 1-1-70.