



**SENATE AMENDMENT 1,
TO SENATE BILL 520**

February 3, 2014 – Offered by Senator LASEE.

1 At the locations indicated, amend the bill as follows:

2 **1.** Page 1, line 6: delete “procedures and” and substitute “procedures,”.

3 **2.** Page 1, line 8: after “Institutions” insert “, providing an exemption from
4 rule-making procedures, and requiring the exercise of rule-making authority”.

5 **3.** Page 10, line 14: delete “or (3) (b).” and substitute “(a) or (3) (b) 1.”.

6 **4.** Page 10, line 15: delete lines 15 to 18 and substitute:

7 “(2) (a) The office of credit unions shall promulgate a rule establishing a list
8 of activities and powers incidental to the business of a credit union that are
9 authorized for federally chartered credit unions as of the effective date of this
10 paragraph [LRB inserts date].

11 (b) The office of credit unions shall submit the proposed rule under par. (a) to
12 the legislative reference bureau in an electronic format approved by the legislative

1 reference bureau, and the legislative reference bureau shall publish the proposed
2 rule in the notice section of the Wisconsin administrative register under s. 35.93.

3 (c) Sections 227.114 (4) and (6), 227.115, 227.135, 227.137, 227.14 (2) (a) 6., (2g),
4 (4), and (4m), 227.15, 227.16, 227.17, 227.18, 227.185, 227.19, and 227.30 do not
5 apply to the office of credit unions in promulgating a rule under par. (a) or to any rule
6 promulgated by the office of credit unions under par. (a). Guidelines prescribed by
7 executive order of the governor do not apply to the office of credit unions in
8 promulgating a rule under par. (a).”.

9 **5.** Page 10, line 21: after “(2)” insert “(a)”.

10 **6.** Page 11, line 10: delete lines 10 to 13 and substitute:

11 “(b) 1. The office of credit unions shall promulgate a rule adding an activity or
12 power to the list of activities and powers established under sub. (2) (a) if the office
13 of credit unions determines under par. (a) that the activity or power authorized for
14 federally chartered credit unions should also be authorized for credit unions
15 organized under s. 186.02.

16 2. The office of credit unions shall submit the proposed rule under subd. 1. to
17 the legislative reference bureau in an electronic format approved by the legislative
18 reference bureau, and the legislative reference bureau shall publish the proposed
19 rule in the notice section of the Wisconsin administrative register under s. 35.93.

20 3. Sections 227.114 (4) and (6), 227.115, 227.135, 227.137, 227.14 (2) (a) 6., (2g),
21 (4), and (4m), 227.15, 227.16, 227.17, 227.18, 227.185, 227.19, and 227.30 do not
22 apply to the office of credit unions in promulgating a rule under subd. 1. or to any rule
23 promulgated by the office of credit unions under subd. 1. Guidelines prescribed by

1 executive order of the governor do not apply to the office of credit unions in
2 promulgating a rule under subd. 1.

3 (4) The office of credit unions shall publish and maintain on the department
4 of financial institutions' Internet site the list of activities and powers under sub. (2)
5 (a).

6 (5) If the office of credit unions promulgates a rule listing an activity or power
7 as provided in sub. (2) (a) or (3) (b) 1., subs. (2) (b) and (c) and (3) (b) 2. and 3. do not
8 apply to any subsequent rule modifying or eliminating the listed activity or power.”.

9 **7.** Page 13, line 25: delete that line.

10 **8.** Page 14, line 1: delete that line.

11 **9.** Page 14, line 2: before that line insert:

12 “**SECTION 22m.** 227.10 (2m) of the statutes is amended to read:

13 227.10 (2m) No agency may implement or enforce any standard, requirement,
14 or threshold, including as a term or condition of any license issued by the agency,
15 unless that standard, requirement, or threshold is explicitly required or explicitly
16 permitted by statute or by a rule that has been promulgated in accordance with this
17 subchapter, except as provided in s. 186.118 (2) (c) and (3) (b) 3. The governor, by
18 executive order, may prescribe guidelines to ensure that rules are promulgated in
19 compliance with this subchapter.”.

20 **10.** Page 14, line 4: after that line insert:

21 “**SECTION 23d.** 227.14 (2) (a) 8. of the statutes is amended to read:

22 227.14 (2) (a) 8. The place where comments on the proposed rule should be
23 submitted and the deadline for submitting those comments, if the deadline is known
24 at the time the proposed rule is submitted to the legislative council staff under s.

1 227.15 or, for a rule promulgated under s. 186.118 (2) (a) or (3) (b) 1., submitted as
2 provided in s. 186.118 (2) (b) or (3) (b) 2.

3 **SECTION 23t.** 227.20 (3) (c) of the statutes is amended to read:

4 227.20 (3) (c) That all of the rule-making procedures required by this chapter
5 were complied with, except as provided in s. 186.118 (2) (c) or (3) (b) 3.”.

6 **11.** Page 17, line 21: after “60.03” insert “(title) and (1)”.

7 **12.** Page 17, line 21: delete “is” and substitute “are”.

8 **13.** Page 17, line 22: delete “Time deposits” and substitute “Term share
9 accounts”.

10 **14.** Page 17, line 24: delete “time deposit” and substitute “deposit term share
11 account”.

12 **15.** Page 18, line 1: delete lines 1 to 10 and substitute:

13 “**SECTION 39g.** DFI-CU 60.03 (2) of the administrative code is repealed.

14 **SECTION 39r.** DFI-CU 60.03 (3) and (4) of the administrative code are amended
15 to read:”.

16 **16.** Page 18, line 12: on lines 12 and 19, delete “time deposit” and substitute
17 “deposit term share”.

18 **17.** Page 18, line 13: delete “time deposit” and substitute “term share
19 account”.

20 **18.** Page 18, line 15: delete “time deposits” and substitute “term share
21 accounts”.

22 **19.** Page 18, line 20: delete the material beginning with “Early” and ending
23 with “associations.” on line 23 and substitute “~~Early withdrawal penalties may be~~

1 enforced up to the maximum permitted by the depository institutions deregulation
2 committee for similar types of accounts held in banks and savings and loan
3 associations.”.

4 **20.** Page 19, line 3: on lines 3 and 8, delete “time deposit” and substitute
5 “deposit term share”.

6 **21.** Page 19, line 5: delete “time deposit or” and substitute “or”.

7 **22.** Page 21, line 15: delete the material beginning with that line and ending
8 with page 22, line 12, and substitute:

9 “**SECTION 49m.** Chapter DFI-CU 67 of the administrative code is repealed.”.

10 **23.** Page 23, line 3: delete that line and substitute:

11 “**SECTION 60d.** Chapter DFI-CU 74 (title) of the administrative code is
12 amended to read:

13 **Chapter DFI-CU 74**

14 **~~INCIDENTAL POWERS ACTIVITY~~**

15 **~~AUTHORITY PARITY WITH FEDERAL~~**

16 **~~CREDIT UNIONS – DEBT CANCELLATION~~**

17 **~~CONTRACTS AND DEBT SUSPENSION~~**

18 **~~AGREEMENTS~~**

19 **SECTION 60h.** DFI-CU 74.01 of the administrative code is repealed.

20 **SECTION 60j.** DFI-CU 74.02 (7) of the administrative code is repealed.

21 **SECTION 60p.** DFI-CU 74.03 of the administrative code is amended to read:

22 **DFI-CU 74.03 Debt cancelation contracts and debt suspension**
23 **agreements.** A credit union may provide debt cancellation contracts and debt

1 suspension agreements as ~~an incidental powers activity in the same manner and to~~
2 ~~the same extent that the products are provided by federally-chartered credit unions.~~

3 **SECTION 60t.** DFI-CU 74.09 of the administrative code is amended to read:

4 **DFI-CU 74.09 Safety and soundness.** A credit union shall manage the risks
5 associated with debt cancellation contracts and debt suspension agreements in
6 accordance with safety and soundness principles. A credit union shall establish and
7 maintain effective risk management and control processes over its debt cancellation
8 contracts and debt suspension agreements. The processes include appropriate
9 recognition and financial reporting of income, expenses, assets and liabilities, and
10 appropriate treatment of all expected and unexpected losses associated with the
11 products. A credit union shall assess the adequacy of its internal control and risk
12 mitigation activities in view of the nature and scope of its debt cancellation contract
13 and debt suspension agreement programs. The director may limit, restrict or
14 prohibit a credit union from ~~utilizing any incidental power~~ providing debt
15 cancellation contracts and debt suspension agreements if examination results
16 indicate that the credit union is conducting its business in an unauthorized or unsafe
17 manner or is violating any of the provisions of this chapter.”.

18 (END)