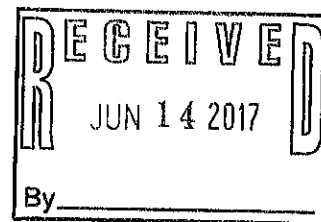




State of Wisconsin  
Department of Financial Institutions



Scott Walker, Governor

Jay Risch, Secretary

June 9, 2017

Ms. Rose Oswald Poels  
President/CEO  
Wisconsin Bankers Association  
4721 South Biltmore Lane  
Madison, WI 53718

**Re: WBA's Request Regarding Use of "Bank" under s. 221.0402, Wis. Stat.**

Dear Ms. Oswald Poels,

I am writing in response to your letter dated May 10, 2017 regarding the Wisconsin Bankers Association's (WBA's) continued concern over the use of the word "bank" by credit unions in Wisconsin. In particular, WBA requested the Division of Banking ("Division") order: Summit; Community First; CoVantage; and Landmark credit unions to cease their use of the word "bank" or "banking" within website or print advertisements.

DFI's Legal Department has been in contact with: Summit and Community First credit unions to express concern over violations of s. 221.0402, Wis. Stat. and has requested removal of "bank" and "banking" language from websites. The two credit unions have been given until July 7th to make the requested changes to allow for work with their third-party vendors for website maintenance. A formal cease and desist will be issued should the requested changes not be made by that date.

DFI's Legal Department has also requested CoVantage not run print or other advertisement which contains the words "bank" or "banking" within the advertisement.

While the Division believes the statutory language is plain and does not need further interpretation, enclosed please find Bkg. Ltr. 50: Use of word "bank" under s. 221.0402, Stats. In the letter, the Division specifically included two frequent inquiries: (1) use of terms "on-line banking" and "mobile banking"; and (2) use of "bank" or "banking" as a verb. As is outlined in the letter, the Division accepts usage of the terms "on-line banking" and "mobile banking" as both describe a particular product or service type for which there is no other term. The use of "bank" or "banking" as a verb remains prohibited.

As the Division accepts the usage of the terms "on-line banking" and "mobile banking", no action was taken against Landmark. DFI's Legal Department found no violation of the use of "bank" or "banking" on Landmark's website.

Should you have any further questions, don't hesitate to contact me.

Sincerely,

Cheryl Olson-Collins  
Administrator, Division of Banking  
Wisconsin Department of Financial Institutions

Encl.



**State of Wisconsin**  
*Department of Financial Institutions*

Scott Walker, Governor

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**Letter 50: Use of the word “bank” under s. 221.0402, Stats.**

The Division of Banking (“division”) has received inquiries on the use of the word “bank” by entities not subject to supervision and examination by the division on websites, in advertisement including radio, and as a matter of general usage. Section 221.0402(1), Stats., prohibits use of the word “bank” by these entities. Section 221.0402(2), Stats., provides a very limited number of exceptions. Section 221.0402(3), Stats., provides the division with the power to enforce s. 221.0402, Stats.

Section 221.0402, Stats., states as follows:

**(1) Use of “bank”.** Except as provided in sub. (2), a person who is engaged in business in this state, who is not subject to supervision and examination by the division, and who is not required to make reports to the division under this chapter, may not use the term “bank”, in any form upon any office sign at the place where the business is transacted. Except as provided in sub. (2), the person may not use or circulate letterheads, billheads, blank notes, blank receipts, certificates, circulars, or any written or printed or partly written and partly printed paper, containing an artificial or corporate name, or other words, that indicates that the person's business is the business of a bank.

**(2) Exceptions.** (a) A check sold by a bank chartered under the laws of another state or a foreign country or a national bank authorized to do business in another state may use any form of “bank”, if the bank is licensed under ch. 217.

(b) Mortgage bankers licensed under s. 224.72 may use the designation “mortgage banker”.

(c) A savings bank organized under ch. 214 may use the designation “savings bank”.

**(3) Enforcement.** Violations of this section may be enforced by the division under s. 220.02 (2).

The division strictly interprets these sections to mean that a person not subject to supervision and examination by the division may not use the term “bank” in any form. As well as the clarity of subsection (1), the narrow exceptions set forth in subsection (2) further support an intention for limited use of the word “bank” by non-bank entities.

The inquiries the division has received involve two areas. The first involves the terms “on-line banking” and “mobile banking.” For these two usages and terms, especially in an age of on-line financial services, use of the word “bank” is unavoidable. These usages and terms are now part of the common lexicon. Both describe a particular product or service type for which there is no other term. The division therefore accepts usage of these two terms as not in violation of s. 221.0402, Stats.

The second involves the use of the word “bank” or “banking” as a verb. Neither are exclusive for which there is no other term. Use of the word “bank” or “banking” as a verb by entities not subject to supervision and examination by the division remains prohibited under s. 221.0402(1), Stats.

In all other instances, use of the term “bank” by entities not subject to supervision and examination by the division remains prohibited and subject to enforcement actions by the division.

**Bkg. Ltr. #50, June 9, 2017, Cheryll Olson-Collins, Administrator**