

shall be audited, adjudicated and confirmed by said court, upon such notice to the parties in interest as the said court may determine.

Section 2. The provisions of this act shall become effective immediately upon final enactment.

Act effective immediately.

APPROVED—The 12th day of June, A. D. 1951.

JOHN S. FINE

No. 136.

AN ACT

To further amend section 620 of the act, approved the fifth day of May, one thousand nine hundred thirty-three (Pamphlet Laws 457), entitled "An act relating to the business of building and loan associations; providing for the organization and voluntary dissolution of such associations; defining the rights, powers, duties, liabilities, and immunities of such associations, and of their officers, directors, shareholders, solicitors, and other employes; prohibiting the transaction of business in this Commonwealth by foreign building and loan associations; conferring powers and imposing duties upon the courts, recorders of deeds, and certain State departments, commissions, and officers; establishing limitations of actions; imposing penalties; and repealing certain acts and parts of acts," by increasing the maximum amount to be set aside as reserve for contingent losses.

The General Assembly of the Commonwealth of Pennsylvania hereby enacts as follows:

"Building and Loan Code."

Section 1. Section 620 of the act, approved the fifth day of May, one thousand nine hundred thirty-three (Pamphlet Laws 457), entitled "An act relating to the business of building and loan associations; providing for the organization and voluntary dissolution of such associations; defining the rights, powers, duties, liabilities, and immunities of such associations, and of their officers, directors, shareholders, solicitors, and other employes; prohibiting the transaction of business in this Commonwealth by foreign building and loan associations; conferring powers and imposing duties upon the courts, recorders of deeds, and certain State departments, commissions, and officers; establishing limitations of actions; imposing penalties; and repealing certain acts and parts of acts," as last amended by the act, approved the fifteenth day of May, one thousand nine hundred forty-five (Pamphlet Laws 485), is hereby further amended to read as follows:

Section 620, act of May 5, 1933, P. L. 457, as last amended by act of May 15, 1945, P. L. 485, further amended.

Section 620. Reserve for Contingent Losses.—Every association shall set aside each year not less than five per centum and not more than [twenty] *twenty-five* per centum of its net profits for such year, unless the department in writing approves the setting aside of a lesser

or a greater amount, as a reserve for contingent losses, until the total amount of such reserve shall equal at least five per centum and not more than twenty per centum of the assets of such association, unless the department in writing approves the creation of a total reserve of a lesser or a greater amount. The department may at any time require any association to set aside such additional amount as the department shall deem necessary to safeguard the interests of the shareholders of such association. Such reserve for contingent losses may be loaned or invested in the same manner as is authorized by this act in the case of other funds of the association.

If, due to a reduction of the assets of an association or due to any other cause whatsoever, the reserve for contingent losses shall exceed twenty per centum of the assets of the association, or, if the department has authorized or directed the creation of a reserve for contingent losses in excess of such twenty per centum and such reserve exceeds such amount authorized or directed by the department, the amount above such twenty per centum or such other amount as has been authorized or directed by the department shall be transferred, at the next regular meeting of the board of directors, to the general profit account of the association.

APPROVED—The 12th day of June, A. D. 1951.

JOHN S. FINE

No. 137.

AN ACT

To further amend the act, approved the fifth day of May, one thousand nine hundred thirty-three (Pamphlet Laws 457), entitled "An act relating to the business of building and loan associations; providing for the organization and voluntary dissolution of such associations; defining the rights, powers, duties, liabilities, and immunities of such associations, and of their officers, directors, shareholders, solicitors, and other employees; prohibiting the transaction of business in this Commonwealth by foreign building and loan associations; conferring powers and imposing duties upon the courts, recorders of deeds, and certain State departments, commissions, and officers; establishing limitations of actions; imposing penalties; and repealing certain acts and parts of acts," by further regulating the withdrawals of certain optional payment shares; providing that accounts of less than a certain amount need not be credited with dividends; further regulating the terms of mortgage contracts and the terms of bonds securing mortgages, and the types of property upon which mortgages may be taken.

"Building and
Loan Code."

The General Assembly of the Commonwealth of Pennsylvania hereby enacts as follows: