

as may be determined by the board. If the employe is retired before the back payments have been completed, the annuity shall be reduced by an amount equivalent to the unpaid back payments or deduction increases not anticipated.

Section 2. This act shall take effect immediately.

Act effective  
immediately.

APPROVED—The 1st day of June, A. D. 1959.

DAVID L. LAWRENCE

No. 83

### AN ACT

Amending the act of May 15, 1933 (P. L. 624), entitled, as amended, "An act relating to the business of banking, and to the exercise of fiduciary powers by corporations; providing for the organization of corporations with fiduciary powers, and of banking corporations, with or without fiduciary powers, including the conversion of National banks into State banks, and for the licensing of private bankers and employes' mutual banking associations; defining the rights, powers, duties, liabilities, and immunities of such corporations, of existent corporations authorized to engage in a banking business, with or without fiduciary powers, of private bankers and employes' mutual banking associations, and of the officers, directors, trustees, shareholders, attorneys, and other employes of all such corporations, employes' mutual banking associations or private bankers, or of affiliated corporations, associations, or persons; restricting the exercise of banking powers by any other corporation, association, or person, and of fiduciary powers by any other corporation; conferring powers and imposing duties upon the courts, prothonotaries, recorders of deeds, and certain State departments, commissions, and officers; imposing penalties; and repealing certain acts and parts of acts," further providing for lending and investment powers of banks and banks and trust companies and certain savings banks.

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

Banking Code.

Section 1. Clause (1) of subsection A, section 1006, act of May 15, 1933 (P. L. 624), known as the "Banking Code," amended June 28, 1951 (P. L. 653), is amended to read:

Clause (1), subsection A, section 1006, act of May 15, 1933, P. L. 624, amended June 28, 1951, P. L. 653, further amended.

Section 1006. Limitations upon Loans to One Corporation or Person.—A. A bank or a bank and trust company shall not, directly or indirectly, lend to any corporation or person an amount which, including any extension of credit to such corporation or person by acceptance of drafts for, or the discount or purchase of the notes, bonds, bills of exchange, or other evidences of indebtedness of, such corporation or person, shall exceed ten per centum of the unimpaired capital and ten per

centum of the unimpaired surplus of the bank or bank and trust company. However, this restriction shall have no application whatsoever to the following:

(1) Loans to or obligations of the United States, or obligations issued under authority of the Federal Farm Loan Act, as amended, *or under the authority of the Federal Farm Credit Act of 1933 and acts amendatory thereof and supplementary thereto*, or issued by the Federal Home Loan Banks or the Home Owners' Loan Corporation, or obligations which are issued by the Federal Housing Administrator pursuant to section two hundred and seven of the National Housing Act, if the debentures to be issued in payment of such insured obligations are guaranteed as to principal and interest by the United States or obligations of national mortgage associations, or loans secured by not less than the face amount of bonds or other interest-bearing obligations of the United States, or bonds or other interest-bearing obligations for the payment of the principal and interest on which the faith and credit of the United States is pledged, to the extent that such loans are secured or covered by guaranties, or by commitments or agreements to take over, or to purchase, made by any Federal Reserve Bank or by the United States, or any department, bureau, board, commission, or establishment of the United States, including any corporation wholly owned directly or indirectly by the United States.

\* \* \* \* \*

Clause (2), subsection A, section 1208, act of May 15, 1933, P. L. 624, amended April 22, 1937, P. L. 349, further amended.

Section 2. Clause (2) of subsection A, section 1208 of the act, amended April 22, 1937 (P. L. 349), is amended to read:

Section 1208. Authorized Investments of Savings Banks Not under Special Charter.—A. Except as otherwise specifically provided in this act, a savings bank other than a savings bank organized under a special act of the General Assembly, shall not make any investments except as follows:

\* \* \* \* \*

(2) [Farm loan bonds issued by Federal land banks operating under the provisions of the Federal Farm Loan Act, approved the seventeenth day of July, one thousand nine hundred sixteen, its amendments and supplements.] *Bonds, debentures or other obligations issued under the authority of the Federal Farm Loan Act and acts amendatory thereof and supplementary thereto, or under authority of the Federal Farm Credit Act of 1933 and acts amendatory thereof and supplementary thereto, or under authority of the Federal Home Loan Bank Act and acts amendatory thereof and supplementary thereto.*

\* \* \* \* \*

Section 3. This act shall take effect immediately.

Act effective  
immediately.

APPROVED—The 2nd day of June, A. D. 1959.

DAVID L. LAWRENCE

No. 84

AN ACT

Amending the act of April 5, 1917 (P. L. 47), entitled "An act specifying additional securities in which trustees or directors of savings banks, savings institutions, and provident institutions, chartered under general or special acts of Assembly, may invest moneys deposited therein," providing for investments in debentures, bonds or other obligations issued under the authority of certain acts of Congress.

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

Savings banks :  
investments.

Section 1. Section 1, act of April 5, 1917 (P. L. 47), entitled "An act specifying additional securities in which trustees or directors of savings banks, savings institutions, and provident institutions, chartered under general or special acts of Assembly, may invest moneys deposited therein," amended June 28, 1923 (P. L. 884), is amended to read:

Section 1, act of  
April 5, 1917,  
P. L. 47,  
amended June  
28, 1923, P. L.  
884, further  
amended.

Section 1. Be it enacted, &c., That from and after the passage of this act, trustees or directors of savings banks, savings institutions, and provident institutions, chartered under general or special acts of Assembly of this Commonwealth, may, notwithstanding any provisions of their charter, or of any act of Assembly under which they may have been incorporated, invest the moneys deposited in said savings banks, savings institutions, and provident institutions in [farm loan bonds issued by Federal Land Banks and Joint-stock Land Banks operating under the provisions of the act of Congress of the United States of July seventeenth, one thousand nine hundred and sixteen, its amendments or supplements] *debentures, bonds or other obligations issued by Federal Land Banks or by Federal Intermediate Credit Banks under the authority of the Federal Farm Loan Act and its amendments and supplements, or by Banks for Cooperatives under authority of the Federal Farm Credit Act of 1933 and its amendments and supplements, or by Federal Home Loan Banks under authority of the Federal Home Loan Bank Act and its amendments and supplements.*

Savings banks,  
etc.

Investments in  
bonds issued by  
Federal Land  
Banks and  
Federal Inter-  
mediate Credit  
Banks, or Banks  
for Cooperatives,  
or Federal Home  
Loan Banks.

Section 2. This act shall take effect immediately.

Act effective  
immediately.

APPROVED—The 2nd day of June, A. D. 1959.

DAVID L. LAWRENCE