

## No. 353

## 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," extending the time in which the department may approve articles of incorporation, amendment or merger; changing the requirements for restatement of articles of incorporation and articles of merger; providing for appointment of honorary or emeriti directors, trustees and members of advisory boards; providing for contributions by institutions and ratifying contributions heretofore made; enlarging the powers of institutions to deal in fractional interests of evidences of debt; extending to trust companies a limited power to borrow money; and further providing for the powers and limitations on powers of corporations authorized to engage in a banking business.

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

Section 1. Subsection B of section 306, act of May 15, 1933 (P. L. 624), known as the "Banking Code," amended April 22, 1937 (P. L. 349), is amended to read: Subsection B,  
section 306, act  
of May 15, 1933,  
P. L. 624,  
amended April  
22, 1937, P. L.  
349, further  
amended.

Section 306. Approval of Articles by Department of Banking.—

\* \* \* \* \*

B. Except as otherwise provided in this act, within [thirty] *sixty* days after the receipt of the articles from the Department of State, the Department of Banking shall, upon the basis of the facts disclosed by the investigation provided for by this section, either approve or disapprove the articles. It shall immediately notify the Department of State in writing of its action. If it shall approve the articles, it shall endorse its approval thereon and shall return them to the Department of State.

\* \* \* \* \*

Section 2. Section 410 of the act is amended to read:

Section 410 of the act, amended.

Section 410. Transfer of Share Certificates and Shares.—The transfer of share certificates and the shares represented thereby may be regulated by the by-laws, provided such by-laws are not inconsistent with the provisions of the [Uniform Stock Transfer Act, approved the fifth day of May, one thousand nine hundred eleven (Pamphlet Laws, one hundred twenty-six), its amendments and supplements] *Uniform Commercial Code, approved the sixth day of April, one thousand nine hundred and fifty-three (Pamphlet Laws, three), its amendments and supplements.*

Section heading, section 501 of the act, amended June 21, 1935, P. L. 369, further amended.

Section 3. The section heading of section 501 of the act, amended June 21, 1935 (P. L. 369), is amended to read:

Section 501. Number and Election of Directors and Trustees, *Honorary or Emeriti Directors or Trustees; Executive Committee; Advisory Boards.*

Section 501 of the act, amended by adding a new clause (7) sub-clauses (a), (b), (c), (d), and (e).

Section 4. Section 501 of the act is amended by adding, at the end thereof, a new clause to read:

Section 501. \* \* \*

(7) (a) Pursuant to the approval by the shareholders of a plan adopted by the directors of a bank or a bank and trust company, a person may be appointed by a majority of all directors to the office of honorary director or director emeritus. To be eligible for appointment to such office, a person must have attained the age of sixty-five (65) years and must have served as a member of the board of directors of the institution making the appointment for a period of at least ten (10) years immediately prior to such appointment or must have served for a period of at least ten (10) years as a member of the board of directors of an institution or national banking association which merged into or consolidated with or was absorbed by the institution, the board of directors of which is the appointing authority.

(b) Pursuant to the approval by the shareholders of a plan adopted by the directors of a bank or a bank and trust company, a person may be appointed by a majority of all directors as a member of an advisory board.

Advisory boards created under the provisions of this clause shall consist of not less than five (5) nor more than twenty-five (25) members.

(c) The board of trustees of a savings bank may appoint as honorary trustees or trustees emeriti, persons who have attained the age of at least sixty-five (65) years and who have served upon the board of trustees of the appointing savings bank for a period of at least ten (10) years immediately prior to such appointment.

(d) *Any person holding office as an honorary director, honorary trustee, director emeritus, trustee emeritus or as a member of an advisory board, shall not be entitled to vote at any meeting of the board of directors or trustees nor shall his presence at any meeting be used to determine a quorum. He shall not be disqualified for failure to attend any meetings, nor shall he be charged with any responsibilities or be subject to any liability which this act imposes upon a duly elected director or trustee.*

(e) *On any published or printed reports or statements prepared by the institution, the names of such honorary directors, directors emeriti, honorary trustees, trustees emeriti or members of an advisory board, must be shown separate and apart from any list of duly elected directors or trustees and must be clearly identified by their respective titles.*

Section 5. Section 801 of the act, amended June 6, 1957 (P. L. 268), is amended to read:

Section 801 of the act, amended June 6, 1957, P. L. 268, further amended.

Section 801. Amendment of Articles Authorized.— Except as otherwise specifically provided in this act, an incorporated institution may, by the method hereinafter established, adopt any amendment whatsoever to its articles of incorporation, including a restatement of the articles in their entirety, provided that the articles as so amended would be authorized by this act as original articles of incorporation, *except that restated articles shall state the location and post office address of the corporation's current instead of its initial registered office in this Commonwealth, and need not state the names and addresses of the first directors or of the incorporators, or the number and class of shares subscribed for by the incorporators.*

If an amendment made in the manner permitted by this act restates articles in their entirety, thenceforth the articles shall not include any articles adopted prior thereto.

Section 6. Subsection B of section 808 of the act, amended April 22, 1937 (P. L. 349), is amended to read:

Subsection B, section 808, act of May 15, 1933, P. L. 624, amended April 22, 1937, P. L. 349, further amended.

Section 808. Approval of Articles of Amendment by Department of Banking.— \* \* \*

B. Within [thirty] *sixty* days after the receipt of the articles of amendment from the Department of State, the Department of Banking shall, upon the basis of the facts disclosed by the investigation provided for by this section, either approve or disapprove such articles. It shall immediately notify the Department of State in writing of its action.

It shall approve the articles of amendment, it shall endorse its approval thereon and shall return them to the Department of State.

\* \* \* \* \*

Clause (5), subsection A, section 1001, act of May 15, 1933, P. L. 624, amended May 29, 1956, P. L. 1816, further amended.

Section 7. Clause (5) of subsection A of section 1001 of the act, amended May 29, 1956 (P. L. 1816), is amended to read:

Section 1001. Powers of Banks, Bank and Trust Companies, or Trust Companies.—A. In addition to the general corporate powers granted by this act, and in addition to any powers specifically granted to a bank or a bank and trust company elsewhere in this act, a bank or a bank and trust company shall have the following powers, subject to the limitations and restrictions imposed by this act:

\* \* \* \* \*

(5) To discount, buy, sell, negotiate, or assign promissory notes, drafts, bills of exchange, trade and bank acceptances, stocks, bonds, or other evidences of debt, and to discount, buy, sell, negotiate, or assign any fractional interest in any such single evidence of debt from, or to other banks, bank and trust companies, savings banks, or trust companies, *savings and loan associations* or *insurance companies* incorporated under the laws of this or any other state, *Federal savings and loan associations*, national banking associations, *the International Bank for Reconstruction and Development*, *the Pennsylvania Industrial Development Authority*, any Federal Reserve Bank and any department, bureau, board, commission or establishment of the United States, including any corporation wholly owned, directly or indirectly, by the United States.

\* \* \* \* \*

Subsection A, section 1001, of the act, amended by adding a new clause (20) sub-clauses (a), (b), (c) and (d).

Section 8. Subsection A of section 1001 of the act is amended by adding, at the end thereof, a new clause to read:

Section 1001. Powers of Banks, Bank and Trust Companies, or Trust Companies.—A. In addition to the general corporate powers granted by this act, and in addition to any powers specifically granted to a bank or a bank and trust company elsewhere in this act, a bank or a bank and trust company shall have the following powers, subject to the limitations and restrictions imposed by this act:

\* \* \* \* \*

(20) *To make contributions to, or for the use or benefit of—*

(a) *The United States, any state, territory, or any*

*political subdivision thereof, or the District of Columbia or any possession of the United States for exclusively public purposes; or*

*(b) A corporation, trust or community chest fund, or foundation created or organized in the United States or in any possession thereof, or under the laws of the United States or of any state or territory, or of the District of Columbia, or of any possession of the United States and organized and operated exclusively for religious, charitable, scientific, veteran rehabilitation service, literary or educational purposes, or for the prevention of cruelty to children, no part of the net earnings of which inures to the benefit of any private shareholder or individual, and no substantial part of the activities of which is carrying on propaganda or otherwise attempting to influence legislation to the extent authorized, approved or ratified by action of the board of directors of the institution, except as otherwise specifically provided or limited by its articles of \*incorporation, or its by-laws or by resolution duly adopted by its shareholders.*

*(c) An industrial development agency, as defined by the act of May 17, 1956 (P. L. 1609), known as the "Pennsylvania Industrial Development Authority Act," and its amendments and supplements, to the extent authorized, approved or ratified by action of the board of directors of the institution, except as otherwise limited by its articles of incorporation, \*\*or its by-laws or by resolution duly adopted by its shareholders.*

*(d) All contributions made heretofore by authority of the board of directors of the institution for the purposes prescribed by this clause are hereby ratified and confirmed.*

Section 9. Subsection B of section 1001 of the act, amended May 29, 1956 (P. L. 1816), is amended by adding, at the end thereof, two new clauses to read:

Section 1001. Powers of Banks, Bank and Trust Companies, or Trust Companies.— \* \* \*

B. In addition to the general corporate powers granted by this act, and in addition to any powers specifically granted to a trust company elsewhere in this act, a trust company shall have the following powers, subject to the limitations and restrictions imposed by this act:

\* \* \* \* \*

*(7) To make contributions to, or for the use or benefit of—*

*(a) The United States, any state, territory, or any political subdivision thereof, or the District of Columbia*

\* "Incorporations" in original.

\*\* "of" in original.

Subsection B, section 1001 of the act, amended May 29, 1956, P. L. 1816, amended by adding two new clauses (7) sub-clauses (a), (b), (c) and (d) and (8).

or any possession of the United States for exclusively public purposes; or

(b) A corporation, trust or community chest fund, or foundation created or organized in the United States or in any possession thereof, or under the laws of the United States or of any state or territory, or of the District of Columbia, or of any possession of the United States and organized and operated exclusively for religious, charitable, scientific, veteran rehabilitation service, literary or educational purposes, or for the prevention of cruelty to children, no part of the net earnings of which inures to the benefit of any private shareholder or individual, and no substantial part of the activities of which is carrying on propaganda or otherwise attempting to influence legislation to the extent authorized, approved or ratified by action of the board of directors of the institution, except as otherwise specifically provided or limited by its articles of incorporation, or its by-laws or by resolution duly adopted by its shareholders.

(c) An industrial development agency, as defined by the act of May 17, 1956 (P. L. 1609), known as the "Pennsylvania Industrial Development Authority Act," and its amendments and supplements, to the extent authorized, approved or ratified by action of the board of directors of the institution, except as otherwise limited by its articles of incorporation, or its by-laws or by resolution duly adopted by its shareholders.

(d) All contributions made heretofore by authority of the board of directors of the institution for the purposes prescribed by this clause are hereby ratified and confirmed.

(8) To borrow money and pledge its assets therefor in an amount which at any one time shall not exceed an amount equal to twenty-five per cent of the unimpaired capital and unimpaired surplus during a continuous period not exceeding three months, unless a longer period is approved by the department. Such borrowings must have received the prior approval of the board of directors.

Subsection B, section 1003 of the act, amended July 2, 1935, P. L. 542, further amended.

Section 10. Subsection B of section 1003 of the act, amended July 2, 1935 (P. L. 542), is amended to read:

Section 1003. Interest on Deposits.— \* \* \*

B. A bank or a bank and trust company shall not credit or pay any interest on any deposit for a longer period than it has been deposited with the bank or bank and trust company, except that deposits made not later than the *tenth business day of any month which commences a regular quarterly or semi-annual interest period or the fifth business day of [the] any other month, or*

deposits withdrawn upon one of the last three business days of the month ending any annual, semi-annual, or quarterly interest period, may have interest declared upon them for the whole of the period or month in which they were so deposited or withdrawn. It shall also be lawful for deposit accounts closed between interest periods to be credited with interest, computed from the last interest period to the date when closed.

Section 11. The section heading and subsection A of section 1012 of the act, amended May 29, 1956 (P. L. 1816), is amended to read:

Section heading and subsection A, section 1012 of the act, amended May 29, 1956, P. L. 1816, further amended.

Section 1012. Loans on and Investments in Bonds [and] *or Notes Secured by Mortgages or Deeds of Trust and Judgments of Record.*—A. A bank or a bank and trust company shall have the power to lend on the security of, or invest in, bonds *or notes* secured by mortgages *or deeds of trust* upon real property, but it shall lend upon, or invest in, only such bonds [and] *or notes secured by mortgages or deeds of trust* as (1) are first liens on unencumbered improved real property, including improved farm land, situated within the Commonwealth, or within fifty miles of a boundary thereof, and (2) do not exceed two-thirds of the actual value of such real property, and (3) become due within ten years after the making of such loan or investment unless amortized over a period not exceeding twenty years after the making of such loan or investment in *substantially equal* monthly, quarterly, semi-annual or annual payments sufficient in amount to pay all interest and effect full repayment of principal within such twenty-year period: Provided, however, That a bank or a bank and trust company while having the entire investment in such a first lien on real property may, subject to like conditions in respect to amortization, invest in a second lien on the same real property, which may be either a bond [and] *or note secured by a mortgage or deed of trust or a judgment*, if the total amount invested in both liens does not at any time exceed two-thirds of the actual value of such real property. Any building which is upon, and is included in the valuation of, such real property shall be insured against loss by fire, to the benefit of such bank or bank and trust company, by the borrower or mortgagor during the term of the bond, *note, mortgage, deed of trust or judgment*, in a company which is authorized to do business in Pennsylvania and is approved by the bank or bank and trust company making the investment. It shall be lawful for a bank or bank and trust company to renew such policies, at the expense of the borrower or mortgagor, from year to year, or for a longer or a shorter period, not however, exceeding the term of the obligation, in case he shall fail to do so. All necessary

charges and expenses paid by such bank or bank and trust company for such renewals shall be paid by such borrower or mortgagor. In case such borrower or mortgagor shall refuse, upon demand, to pay such charges and expenses, they shall be added to the amount secured by the mortgage, *deed of trust* or judgment, and shall, together with interest from the date of the payment of such charges and expenses, constitute a lien upon the property subject to the mortgage, *deed of trust* or judgment. All expenses of searches, examinations, certificates of title, or appraisal of actual value, and all expenses of drawing and recording of papers, shall be paid by such mortgagor or borrower. The actual value of the real property shall be determined by two reputable persons, especially familiar with real property values in the vicinity of the particular property to be appraised, selected from or approved by the board of directors. They shall inspect the property, and shall state, in writing, that the actual value of the real property inspected, to the best of their judgment, is as stated. Such report shall be filed and preserved among the records of the bank or bank and trust company. The provisions of this subsection shall not apply to loans on the security of, or investments in, bonds or notes secured by mortgages or deeds of trust upon leasehold interests in real property made under such rules and regulations as may be prescribed by the Secretary of Banking, with the approval of the Banking Board, nor to loans on the security of bonds or notes secured by mortgages or deeds of trust upon real property situated within the Commonwealth, or within fifty miles of a boundary thereof, made or for which a written commitment to guarantee has been made, in accordance with the provisions of the "Service-men's Readjustment Act of 1944," its amendments and supplements, and rules and regulations promulgated from time to time pursuant to the provisions of said act, provided that such loans are guaranteed in an amount equal to at least twenty per centum thereof, nor shall the provisions of this section apply to bonds or notes secured by mortgages or deeds of trust which are insured by, or for which a commitment to insure has been made by, the Federal Housing Administrator, pursuant to the provisions of the National Housing Act of one thousand nine hundred and thirty-four, approved the twenty-seventh day of June, one thousand nine hundred and thirty-four, its amendments and supplements, nor shall the provisions of this subsection apply to loans on the security of bonds or notes secured by mortgages or deeds of trust upon real property situated within the Commonwealth for which a written commitment to insure the payment thereof has been made by the United States Department of Agriculture, in accordance with



the provisions of Title I of the Bankhead-Jones Farm Tenant Act of the twenty-second day of July, one thousand nine hundred thirty-seven, its amendments and supplements, rules and regulations, promulgated from time to time pursuant to the provisions of said act, nor shall the provisions of this subsection apply to loans secured, in whole or in part, by bonds or notes secured by mortgages or deeds of trust made under the provisions of the Small Business Act of 1953, approved July 30, 1953, its amendments and supplements, and rules and regulations promulgated from time to time pursuant to the provisions of said act, nor to public utility, railroad, or industrial bonds, or other securities, commonly known as investment securities, although such bonds may be secured in whole or in part by a mortgage upon real property.

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Section 12. Section 1202 of the act is amended by adding, at the end thereof, two new clauses to read:

Section 1202 of act amended by adding two new clauses (15) and (16) subclauses (a), (b), (c) and (d).

Section 1202. Powers of Savings Banks.—In addition to the general corporate powers granted by this act, and in addition to any powers specifically granted to a savings bank elsewhere in this act, a savings bank shall have the following powers, subject to the limitations and restrictions imposed by this act:

\* \* \* \* \*

(15) *To discount, buy, sell, negotiate, or assign any fractional interest in any single evidence of debt secured by liens on real estate from, or to other banks, bank and trust companies, savings banks, or trust companies, savings and loan associations, insurance companies, incorporated under the laws of this or any other state, Federal savings and loan associations, national banking associations, the International Bank for Reconstruction and Development, the Pennsylvania Industrial Development Authority, any Federal Reserve Bank and any department, bureau, board, commission or establishment of the United States, including any corporation wholly owned, directly or indirectly, by the United States.*

(16) *To make contributions to, or for the use or benefit of—*

(a) *The United States, any state, territory, or any political subdivision thereof, or the District of Columbia or any possession of the United States for exclusively public purposes; or*

(b) *A corporation, trust or community chest fund, or foundation created or organized in the United States or in any possession thereof, or under the laws of the United States or of any state or territory, or of the District of Columbia, or of any possession of the United States,*

*and organized and operated exclusively for religious, charitable, scientific, veteran rehabilitation service, literary or educational purposes, or for the prevention of cruelty to children, no part of the net earnings of which inures to the benefit of any private shareholder or individual, and no substantial part of the activities of which is carrying on propaganda or otherwise attempting to influence legislation to the extent authorized, approved or ratified by action of the board of trustees of the institution, except as otherwise specifically provided or limited by its articles of incorporation, or its by-laws.*

*(c) An industrial development agency as defined by the act of May 17, 1956 (P. L. 1609), known as the "Pennsylvania Industrial Development Authority Act," and its amendments and supplements, to the extent authorized, approved or ratified by action of the board of trustees of the institution, except as otherwise limited by its articles of incorporation, or its by-laws.*

*(d) All contributions made heretofore by authority of the board of trustees of the institution for the purposes prescribed by this clause are hereby ratified and confirmed.*

Section 1204 of  
the act, amended  
July 2, 1935,  
P. L. 542,  
further amended.

Section 13. Section 1204 of the act, amended July 2, 1935 (P. L. 542), is amended to read:

Section 1204. Interest on Deposits.—A. Anything in its articles to the contrary notwithstanding, a savings bank shall have the power to credit and pay on all deposits such interest, not, however, exceeding five per centum per annum, as may be established, from time to time, by agreement or regulation: Provided, That the department may, from time to time, limit by regulation the maximum rate of interest which may be paid by a savings bank; may classify deposits according to maturities, location of savings banks; conditions respecting receipt, withdrawal, or repayment, or otherwise, as may be deemed advisable in the public interest; and may prescribe different maximum rates for deposits of different classes. Such interest shall be paid to the respective depositors, or credited to their accounts, at least annually, and in the case of certificates of deposit, interest shall be paid or accrued at least annually.

B. The trustees shall not declare or allow interest on any deposit for a longer period than it has been deposited with the savings bank, except that deposits made not later than the *tenth business day of any month which commences a regular quarterly or semi-annual interest period or the fifth business day of [the] any other month*, or deposits withdrawn upon one of the last three business days of the month ending any annual, semi-annual,

or quarterly interest period, may have interest declared upon them for the whole of the period or month in which they were so deposited or withdrawn. It shall also be lawful for deposit accounts closed between interest periods to be credited with interest, computed from the last interest period to the date when closed.

Section 14. Subclause (a) of clause (8) of subsection A of section 1208, clause (1) of subsection B of section 1209, and subsection A of section 1213 of the act, amended May 29, 1956 (P. L. 1816), are amended to read:

Subclause (a), clause (8), subsection A, section 1208; clause (1), subsection B, section 1209; and subsection A, section 1213, act of May 15, 1933, P. L. 624, amended May 29, 1956, P. L. 1816, further amended.

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:

\* \* \* \* \*

(8) (a) Bonds or notes secured by mortgages or deeds of trust which are first liens upon unencumbered improved real property, including improved farm land, situated within any Commonwealth or State of the United States or the District of Columbia, to the extent of not more than two-thirds of the actual value of such real property, and for a term not exceeding ten years, or for a term not exceeding twenty years, if such mortgages or deeds of trust contain provisions requiring monthly, quarterly, semi-annual or annual payments, sufficient in amount to pay all interest and effect full repayment of the principal within the term thereof: Provided, however, That such savings bank, while having the entire investment in such a bond or note, may, subject to like conditions in respect to amortization, invest in a bond or note secured by a mortgage or deed of trust or judgment which is a second lien on the same real property, if the total invested in both liens does not at any time exceed two-thirds of the actual value of such real property. The provisions of this subclause (a) shall not apply to loans on the security of, or investments in, bonds or notes secured by mortgages or deeds of trust upon leasehold interests in real property made under such rules and regulations as may be prescribed by the Secretary of Banking, with the approval of the Banking Board.

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Section 1209. Authorized Investments of Special Charter Savings Banks.— \* \* \*

B. No such savings bank shall purchase or invest in bonds or notes secured by mortgages or deeds of trust of real property, except

(1) Bonds or notes secured by mortgages or deeds of trust, which are first liens upon unencumbered improved real property, including improved farmland, situated within any Commonwealth or State of the United States or the District of Columbia, to the extent of not more than two-thirds of the actual value of such real property, and for a term not exceeding ten years, or for a term not exceeding twenty years, if such mortgages or deeds of trust contain provisions requiring monthly, quarterly, semi-annual or annual payments sufficient in amount to pay all interest and effect full repayment of principal within the term thereof: Provided, however, That a savings bank, while having the entire investment in such a bond or note, may, subject to like conditions in respect to amortization, invest in a bond or note secured by a mortgage or deed of trust or in a judgment which is a second lien on the same real property, if the total invested in both liens does not at any time exceed two-thirds of the actual value of such real property. The provision of this clause (1) shall not apply to loans on the security of, or investments in, bonds or notes secured by mortgages or deeds of trust upon leasehold interests in real \*property made under such rules and regulations as may be prescribed by the Secretary of Banking, with the approval of the Banking Board.

\* \* \* \* \*

Section 1213. Limitations on Holdings in Bank Buildings, Furniture and Fixtures Therein, and Parking Facilities.—A. The cost of the real property, including the building or buildings thereon, which a savings bank occupies, or intends to occupy, for the transaction of its business, or partly so occupies and partly leases to others, together with the cost of furniture and fixtures therein which belong to the savings bank, and together with cost of the shares of any corporation holding the premises of such [bank or bank and trust company or trust company] *savings bank* and the shares of any corporation owning reasonable parking facilities for the use of its [directors,] *trustees*, officers, employes and customers, shall not at any time exceed in the aggregate twenty-five per centum of its unimpaired surplus, except with the written approval of the department. Before the erection of a building or buildings is commenced, the estimate of the costs thereof shall be submitted to the department for its approval.

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Section 15. Clause (4) of section 1403 of the act, amended June 6, 1957 (P. L. 268), is amended to read:

Section 1403. Articles of Merger or Consolidation.—

Clause (4), section 1403 of the act, amended June 6, 1957, P. L. 268, further amended.

\* "properety" in original.

Upon the approval, pursuant to the provisions of this act, of the plan of merger or the plan of consolidation by the shareholders of each of the banks, bank and trust companies, trust companies, or national banking associations, or by the trustees of each of the savings banks, desiring to merge or consolidate, articles of merger or articles of consolidation as the case may be, shall be executed under the seal of each corporation and verified by two duly authorized officers of each corporation, and shall set forth:

\* \* \* \* \*

(4) In the case of a merger, any changes desired to be made in the articles of the surviving incorporated institution, including a restatement of the articles, provided that any such changes or restatement would be authorized by this act as original articles of incorporation, *except that restated articles shall state the location and post office address of the surviving corporation's current instead of its initial registered office in this Commonwealth, and need not state the names and addresses of the first directors or of the incorporators, or the number and class of shares subscribed for by the incorporators*, or, in the case of a consolidation, all of the statements required by this act to be set forth in the original articles in the case of the formation of such an incorporated institution.

If an amendment made in the manner permitted by this clause restates articles in their entirety, thenceforth the articles shall not include any articles adopted prior thereto of the constituent corporations to the merger [or consolidation].

Section 16. Subsection B of section 1406 of the act, amended April 22, 1937 (P. L. 349), is amended to read:

Subsection B, section 1406 of the act, amended April 22, 1937, P. L. 349, further amended.

Section 1406. Approval of Articles of Merger or Consolidation by Department of Banking.— \* \* \*

B. Within [thirty] *sixty* days after the receipt of the articles of merger or articles of consolidation from the Department of State, the Department of Banking shall, upon the basis of the facts disclosed by the investigation provided for by this section, either approve or disapprove such articles. It shall immediately notify the Department of State, in writing, of its action. If it shall approve the articles of merger or articles of consolidation, it shall endorse its approval thereon and shall return them to the Department of State.

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Section 17. This act shall take effect immediately.

Act effective immediately.

APPROVED—The 11th day of September, A. D. 1959.

DAVID L. LAWRENCE