

Local authorities in counties, cities, boroughs, incorporated towns, townships and school districts, may, at their discretion, place or cause to be placed and used within school zones, warning figures commonly known as silent policemen, on highways and State highways within such political subdivisions, subject, however, to the following conditions:

(1) A school zone shall be a distance not exceeding one hundred (100) feet from the nearest boundary of the school grounds in any direction.

(2) No such warning figure shall be left in place on any highway, except for the period beginning one (1) hour before school convenes and ending one (1) hour after school adjourns.

(3) No such warning figure shall be placed on any highway in conflict with any rule or regulation adopted and promulgated by the Secretary of Highways under section 1105 of this act.

(4) The Secretary of Highways with reference to State highways and local authorities in counties, cities, boroughs, incorporated towns and townships with respect to highways under their jurisdiction, may, in their discretion, determine the proper placing and location of such warning figures.

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Act effective  
immediately.

Section 2. This act shall take effect immediately.

APPROVED—The 26th day of July, A. D. 1961.

DAVID L. LAWRENCE

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No. 396

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, as-

sociation, 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 the participation of loans between banking companies.

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

Section 1. Subsection A of section 1001, act of May 15, 1933 (P. L. 624), known as the "Banking Code," is amended by adding, after clause (4), a new clause to read: Subsection A,  
section 1001, act  
of May 15, 1933,  
P. L. 624,  
amended by  
adding a new  
clause (4.1).

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:

\* \* \* \* \*

*(4.1) To buy or sell, from or to other banks or bank and trust companies, as defined in this act, national banking associations, or similar banking companies chartered under the laws of any other state, participations in the form of undivided interests in pools or funds of obligations, but only to the extent and in the manner as hereinafter provided:*

*(a) No participations shall be bought or sold in a pool or fund of obligations except in a pool or fund which consists exclusively of direct installment loans conforming with the provisions of clause (4) of this subsection, in which case the originating bank, bank and trust company, national banking association, or other banking company shall retain an undivided interest of at least fifty per centum of the pool or fund, or except in a pool or fund which consists exclusively of evidences of debt, other than those secured by real estate mortgages, acquired by discount, purchase, negotiation, or assignment, in which case the originating bank, bank and trust company, national banking association, or similar banking company shall retain an undivided interest of at least twenty-five per centum of the pool or fund.*

*(b) Any obligation which is included in a pool or fund of obligations, as described in subclause (a) of this clause, shall be clearly identified as being a part of such pool or fund. From time to time additional qualifying obligations may be added to any such pool or fund.*

*(c) A bank or a bank and trust company, which sells a participation hereunder, shall be under no obligation to repurchase such participation.*

*(d) A bank or a bank and trust company, which sells a participation hereunder, shall not, in any manner, guarantee the payment of principal or interest of any obligation included in the pool or fund: Provided, That this shall not prevent a bank or a bank and trust company from agreeing to pay solely from the earnings of the pool or fund, a fixed rate of return on any participation therein.*

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Clause (5),  
subsection A,  
section 1001 of  
the act, amended  
September 11,  
1959, P. L. 881,  
further amended.

Section 2. Clause (5) of subsection A of section 1001 of the act, amended September 11, 1959 (P. L. 881), 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:

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(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 *without retention of any specific interest* any fractional interest in any such single evidence of debt *or in one or more evidences of debt of the same debtor or debtors* 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.

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Act effective  
immediately.

Section 3. This act shall take effect immediately.

APPROVED—The 26th day of July, A. D. 1961.

DAVID L. LAWRENCE

\*"or" in original  
\*\*"saving" in original