

[D. Anything in this section to the contrary notwithstanding, a savings bank other than a savings bank organized under a special act of the General Assembly may also invest in the bonds, debentures or other funded interest bearing obligations of any corporation, the preferred or common stock of which is an authorized investment under subsection C of this section.]

Act effective immediately.

Section 3. This act shall take effect immediately.

APPROVED—The 14th day of August, A. D. 1963.

WILLIAM W. SCRANTON

No. 424

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," to permit savings banks to act as managing agents to receive funds or other property and to invest, reinvest and manage all or part of such funds or other property in a collective investment fund.

Banking Code.

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

Section 1202, act of May 15, 1933, P. L. 624, amended by adding a new clause (18).

Section 1. Section 1202, act of May 15, 1933 (P. L. 624), known as the "Banking Code," is amended by adding, at the end thereof, a new clause to read:

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:

\* "or" in original.

\* \* \* \* \*

(18) To act as a managing agent for the purpose of receiving, investing, reinvesting and managing funds or other property received or deposited with the savings bank in such capacity, and to establish and maintain for the investment of part or all of such funds or other property one or more collective investment funds with the same powers and, except as set forth below, subject to the same restrictions as provided in subsection B.2 of section 1109 of this act. For the purposes of this subsection, "managing agent" has the same meaning with respect to a savings bank as that set forth in subsection A of section 1109 of this act with respect to a trust company or a bank and trust company. Whenever a reference is made in subsection B.2 of section 1109 to a "trust company," a "bank and trust company," or to the "board of directors" thereof, such references shall be considered as being made to a savings bank, or the equivalent governing body thereof, as the case may be, for the purposes of this subsection. Subject to the restrictions contained in subsection B.2 of section 1109 of this act, a savings bank may invest any funds or other property held by it as managing agent or in a collective investment fund in any type or amount of investment: Provided, That any such investment shall be made in the exercise of that degree of judgment and care, under the circumstances then prevailing, which men of prudence, discretion and intelligence exercise in the management of their own affairs, not in regard to speculation, but in regard to the permanent disposition of their funds considering the probable income to be derived therefrom as well as the probable safety of their capital.

Section 2. Section 1208 of the act is amended by adding, at the end thereof, a new subsection to read:

Section 1208 of act, amended by adding a new subsection E.

Section 1208. Authorized Investments of Savings Banks Not Under Special Charter.—

\* \* \* \* \*

*E. Nothing contained in this section 1208 shall be a limitation upon investments which are authorized by clause (18) of section 1202 of this act.*

Section 3. Section 1209 of the act is amended by adding, at the end thereof, a new subsection to read:

Section 1209 of act, amended by adding a new subsection D.

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

*D. Nothing contained in this section 1209 shall be a limitation upon investments which are authorized by clause (18) of section 1202 of this act.*

Subsection A, section 1506 of act, amended January 2, 1934, (1933-1934, P. L. 128) further amended.

Section 4. Subsection A of section 1506 of the act, amended January 2, 1934 (1933-1934, P. L. 128), is amended to read:

Section 1506. Prohibition upon Corporations Acting as Fiduciary; Penalty.—A. The only corporations organized under the laws of this Commonwealth which shall have authority to act in this Commonwealth as trustees, guardians, executors, administrators, or in any similar fiduciary capacity, shall be bank and trust companies, [and] trust companies *and, to the extent authorized by this act, savings banks.*

\* \* \* \* \*

Act effective immediately.

Section 5. This act shall take effect immediately.

APPROVED—The 14th day of August, A. D. 1963.

WILLIAM W. SCRANTON

No. 425

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," permitting savings banks to become members of a Federal Home Loan Bank, authorizing savings banks to invest in shares of a Federal Home Loan Bank, and further providing for authorized investments of special charter savings banks.

Banking Code.

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

Clause (10), section 1202, act of May 15, 1933, P. L. 624, amended July 29, 1941, P. L. 586, further amended.

Section 1. Clause (10) of section 1202, act of May 15, 1933 (P. L. 624), known as the "Banking Code," amended July 29, 1941 (P. L. 586), is amended to read:

Section 1202. Powers of Savings Banks.—In addition to the general corporate powers granted by this