

No. 1984-129

AN ACT

SB 1305

Amending the act of May 15, 1933 (P.L.565, No.111), entitled "An act relating to the powers and duties of the Department of Banking and the Secretary of Banking in exercising supervision over, and taking possession of and conducting or liquidating the business and property of, corporations, associations, and persons receiving deposits or otherwise transacting a banking business, corporations acting as fiduciaries, and building and loan associations; providing for the payment of the expenses of the Department of Banking by supervised corporations, associations, or persons, and appropriating the Banking Department Fund; authorizing the Department of Banking, under certain circumstances, to examine corporations, associations, or persons affiliated, or having business transactions with supervised corporations, associations or persons; authorizing appeals to the Supreme Court, and prescribing and limiting the powers and duties of certain other courts and their prothonotaries, registers of wills, recorders of deeds, and certain State departments, commissions, and officers; authorizing certain local public officers and State departments to collect fees for services rendered under this act; providing penalties; and repealing certain acts and parts of acts," limiting effects of subpoenas on officers and employees; easing restrictions on loans to clerical employees of the Department of Banking; and extending the examination period.

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

Section 1. Section 302 A of the act of May 15, 1933 (P.L.565, No.111), known as the Department of Banking Code, is amended to read:

Section 302. Disclosure of Information Forbidden; Penalty; Exceptions.—A. Neither the secretary, nor any deputy, examiner, clerk, or other employe of the department, shall publish or divulge to anyone any information contained in or ascertained from any examination or investigation made by the department, or any letter, report, or statement sent to the department, or any other paper or document in the custody of the department, except when the publication or divulgement of such information is made by the department pursuant to the provisions of this act or of any other law of this Commonwealth, or when the production of such information is required by subpoena or other legal process of a court of competent jurisdiction, or when it is used in prosecutions or other court actions instituted by or on behalf of the department. *The service of a subpoena upon the secretary, deputy, examiner, clerk or other employe of the department shall not be construed as requiring such person to disclose any information, but such person shall have all the rights and privileges as any other subpoenaed party to object to production of information on the same basis as provided in the Rules of Civil Procedure, statute law or common law.*

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Section 2. Section 303 B of the act, added October 5, 1978 (P.L.1133, No.266), is amended to read:

Section 303. Conflicts of Interest; Penalty.—* * *

B. Except as provided in subsection E, neither the Secretary of Banking, nor any officer or employe of the department, nor any deputy receiver or employe of the Secretary of Banking, as receiver, shall receive any sum of money or any property as a gift or loan or otherwise, directly or indirectly from any institution or from any officer, director or employe thereof. *This subsection shall not apply to loans to employes of the Department of Banking who function in a clerical or nondecisionmaking capacity with regard to institutions, including, but not limited to, clerks, typists and stenographers.*

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Section 3. Section 401 A of the act, amended March 31, 1943 (P.L.29, No.15), is amended to read:

Section 401. Examinations of Institutions.—A. The department shall examine all institutions thoroughly at least once **[each year] every two calendar years**, and more frequently if it deems such action necessary or advisable to safeguard the interests of depositors, other creditors, or shareholders of such institutions. This examination shall include a complete review of the property, assets, and resources of the institution; the loans and discounts made by it and the collateral deposited with it as security for such loans; the mode of conducting its affairs; the investment of its funds; the interest taken in its affairs by its officers, directors, and employes if a corporation, or by its employes and the partners or individuals owning it if a person; its compliance with the law, and with the terms of its charter or license if it has either; and any other matters, bearing any relation to its condition, which the department shall prescribe: **Provided, however, That for the duration of the present war and six (6) months thereafter, the department shall not be required to make such examinations more than once every two-years].**

The department may also make special examinations or investigations of any institution at any time the department deems such action necessary or advisable, to protect depositors, other creditors or shareholders thereof.

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Section 4. This act shall take effect immediately.

APPROVED—The 6th day of July, A. D. 1984.

DICK THORNBURGH