

All fines and penalties, imposed and recovered for the violation of any of the provisions of this act, shall be paid [to the Department of Agriculture, and, when so collected and paid, shall thereafter be paid] into the State Treasury, through the Department of Revenue, [for the use of the Commonwealth] *and credited to the General Fund.*

Disposition of  
fines and  
penalties.

(b) *The Attorney General at the request of the department may, in the name of the Commonwealth, institute proceedings in equity in the court of common pleas of Dauphin County, for the purpose of enjoining the conduct of business in this Commonwealth contrary to the provisions of this act, and, for such purpose, jurisdiction is hereby conferred upon said court. In such case, the Attorney General shall not be required to give bond.*

Section 10. Nothing contained in this act shall be construed to apply to ice cream and similar frozen products manufactured and sold by social, fraternal, charitable, educational, religious or beneficial organizations, nor to a farmer making and selling from the products of his farm ice cream, custard ice cream, french ice cream, french custard, frozen custard, sherbet, or ice, provided that the standards of purity and quality prescribed by this act are maintained in all cases of manufacture and sale permitted by the provisions of this section.

Exceptions to  
application  
of act.

*The provisions of this act shall not be construed to be impaired, or in any way affected by the provisions of the act, approved the second day of July, one thousand nine hundred and thirty-five (Pamphlet Laws, five hundred eighty-nine), entitled "An act to safeguard human health and life by providing for the issuance of permits to, and regulation of persons and entities selling milk and milk products; conferring powers, and imposing duties on the Secretary of Health, the Advisory Health Board; and otherwise providing for the administration of the act; and imposing penalties," or its amendments.*

APPROVED—The 5th day of June, A. D. 1937.

GEORGE H. EARLE

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No. 351

AN ACT

To amend the act, approved the fifteenth day of May, one thousand nine hundred and thirty-three (Pamphlet Laws, six hundred twenty-four), entitled "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; 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 of the officers, directors, trustees, shareholders, attorneys, and other employes of all such corporations 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," by further providing for the powers and limitations upon powers of corporations with fiduciary powers.

Section 1109,  
act of May 15,  
1933 (P. L.  
624), amended.

Section 1. Be it enacted, &c., That section 1109 of the act, approved the fifteenth day of May, one thousand nine hundred and thirty-three (Pamphlet Laws, six hundred twenty-four), entitled "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; 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 of the officers, directors, trustees, shareholders, attorneys, and other employes of all such corporations 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," is hereby amended to read as follows:

Section 1109. [Mortgage or] Securities Pools for Investment of Fiduciary Funds.—A. A trust company, or a bank and trust company in its trust department, may establish a pool or fund of [bonds secured by mortgages, or of other] securities purchased solely with funds of estates held by it as fiduciary. All [the bonds secured by mortgages, and all] the securities, which comprise such pool or fund, shall be of the class authorized as legal investments for funds held by fiduciaries. The bank and trust company or the trust company shall apportion fractional undivided interests in such pool or fund to estates of which it is fiduciary in the proportions in which their funds were used to purchase [the bonds secured by mortgages, or] the securities, which

comprise such pool or fund. Interests in such pool or fund shall not be sold to any corporation or person, but shall be held solely by the bank and trust company, or the trust company, as fiduciary, and the equitable interest owned solely by the estates of which such bank and trust company or such trust company is fiduciary. Interests in such pool or fund may be transferred in distribution to any beneficiary, and, in order to make distribution, may be sold by such bank and trust company or trust company to another trust estate or estates of which it is fiduciary, or *may be sold* by a bank and trust company to its commercial department, which may in turn resell the same to another trust estate or estates of which it is fiduciary, but not to any other corporation or person.

B. Such bank and trust company or such trust company shall designate clearly upon its records the names of the estates on behalf of which such bank and trust company or trust company as fiduciary owns a fractional undivided interest in such pool or fund, and the extent of the interest of the estate therein. No such estate shall be deemed to have individual ownership of any [bond or other] security in such pool or fund, but shall be deemed to have an undivided interest in the entire pool or fund.

The bank and trust company or the trust company may issue a certificate of participation for every estate on behalf of which such bank and trust company or trust company as fiduciary owns a fractional undivided interest in such pool or fund. Such certificate shall state on its face that it is issued without guarantee by the issuing bank and trust company or trust company of the payment of either principal or interest, that it will be paid only when funds become available [out of the bonds secured by mortgages or] out of the securities comprising the pool or fund. It shall also state any other important condition covering such situation.

C. The bank and trust company or the trust company shall have the right at any time to substitute [for any bond or other obligation secured by mortgage, or] for any securities, in a pool or fund, other [bonds or obligations secured by mortgages, or] securities, which meet all the requirements of this section and which have a value at least equal to the [bond and mortgage or] other security for which they were substituted.

[D. A bank and trust company or a trust company shall likewise have the power to create undivided interests in any single bond secured by a mortgage, or in any single security, to be apportioned among estates of which it is fiduciary, in the proportion to which their funds were used to purchase such asset. The bank and trust company or the trust company shall create and as-

sign such interest, and shall designate upon its records the names of the estates to which any such undivided interest shall have been apportioned, and may issue participation certificates therefor in the same manner, under the same conditions, and subject to the same limitations as are authorized or imposed by this section in the case of a pool of more than one bond secured by mortgages, or of more than one security.]

[E.] *D.* This section shall not be construed to affect a pool or fund [of bonds secured by mortgages or] of securities, created by a bank and trust company or a trust company prior to the [effective date of this act] *third day of July, one thousand nine hundred and thirty-three.*

Sections 1109-1  
1109-2, 1109-3,  
1109-4, 1109-5,  
and 1109-6,  
added to said act.

Section 2. Following section 1109 of the said act, as herein amended, and before section 1110 of the said act, six new sections numbered 1109-1, 1109-2, 1109-3, 1109-4, 1109-5, and 1109-6 are hereby inserted and added to the said act as follows:

*Section 1109-1. Investment of Fiduciary Funds in Undivided Interests in Bonds Secured by Mortgages or in Other Securities.—A. A bank and trust company in its trust department or a trust company may create undivided interests in any single bond secured by a mortgage or in any single security to be apportioned among estates of which it is fiduciary. Any such bond secured by a mortgage and any such security shall be of the class authorized as legal investments for funds held by fiduciaries. The bank and trust company or the trust company shall create and assign such undivided interests in a bond secured by a mortgage or in a security to estates of which it is the fiduciary in the proportion to which their funds were used to purchase such asset. Interests in any such asset shall not be sold to any corporation or person, but shall be held solely by the bank and trust company or the trust company as fiduciary, and the equitable interests owned solely by the estates of which such bank and trust company or such trust company is fiduciary. Interests in any such asset may be transferred in distribution to any beneficiary, and may be sold by such bank and trust company or trust company to another trust estate or estates of which it is fiduciary, or, in order to make distribution, may be sold by a bank and trust company to its commercial department, which may, in turn, resell the same to another trust estate or estates of which it is fiduciary, but not to any other corporation or person.*

*B. Such bank and trust company or such trust company shall designate clearly upon its records the names of the estates on behalf of which such bank and trust company or trust company, as fiduciary, owns a fractional undivided interest in any bond secured by a mort-*

gage or in any such security, and the extent of the interests of such estates therein. No such estate shall be deemed to have individual ownership of any such bond secured by a mortgage or any such security, but shall be deemed to have an undivided interest therein.

The bank and trust company or the trust company may issue a certificate of participation for every estate on behalf of which such bank and trust company or trust company, as fiduciary, owns a fractional undivided interest in any such bond secured by a mortgage or in any such security. Such certificate shall state on its face that it is issued without guarantee by the issuing bank and trust company or trust company of the payment of either principal or interest, and that it will be paid only when funds become available out of any such bond secured by a mortgage or any such security. It shall also state any other important condition governing such situation.

C. This section shall not be construed to affect fractional interests in any such bond secured by a mortgage or in any such security, created by a bank and trust company or a trust company prior to the third day of July, one thousand nine hundred and thirty-three.

Section 1109-2. Establishment and Maintenance of Mortgage Investment Funds.—A. A bank and trust company in its trust department or a trust company may establish and maintain one or more mortgage investment funds in which it may invest only the funds of estates held by it as fiduciary. Interests in any such fund shall not be sold to any corporation or person, but shall be held solely by the bank and trust company or the trust company, as fiduciary, and the equitable interests therein owned solely by the estates of which such bank and trust company or such trust company is fiduciary.

B. Such bank and trust company or such trust company shall not invest the funds of any such mortgage investment fund, except as follows:

(1) In mortgages of one or more individuals or corporations securing bonds or other obligations subject to the following provisions:

(a) At the date of the recording of any such mortgage in the office of the recorder of deeds of the proper county, or at the date of any extension or renewal thereof, such mortgage shall meet the following requirements:

(1) Such mortgage shall contain an unconditional promise to pay interest on the bonds or other obligations secured thereby, and shall be or become a first lien upon improved real estate, including improved farm lands, situated within this Commonwealth prior to all other liens, except taxes previously levied or assessed, but not then payable, and except taxes then due and payable or

delinquent for the payment of which taxes, provision has been made in the mortgage settlement.

(II) The unpaid principal amount of the bonds or other obligations secured by such mortgage shall not exceed two-thirds of the fair value of such real estate.

(III) Such mortgage shall be payable not more than fifteen (15) years after the date thereof, or the date of any renewal or extension thereof, and shall provide either for the annual reduction of the principal amount of the bonds or other obligations secured thereby in an amount equal to at least five per centum of the unpaid principal amount of such mortgage on the date thereof, or on the date of any renewal or extension thereof, the amount of the required annual reduction payment may be made payable in installments, but such installment payments shall be required to be paid not less frequently than semi-annually, or such mortgage shall provide for the amortization of the total unpaid principal amount of such mortgage on the date thereof, or the date of any renewal or extension thereof, by the payment of a fixed amount each month during the term of such mortgage, or the term of any renewal or extension thereof, such monthly payments being fixed at an amount which will include the interest due on such mortgage on the date of such payments, and an additional amount to be applied in the reduction of the unpaid principal amount of such mortgage, which additional amounts will provide for the amortization of the unpaid principal amount of such mortgage during the term thereof, or the term of any renewal or extension thereof, as herein provided.

(b) At the date any such mortgage is acquired by the mortgage investment fund such mortgage shall also meet the following requirements:

(I) All interest previously due thereon, if any, shall have been paid in full to the next preceding interest payment date as therein provided.

(II) No taxes levied or assessed upon the property covered thereby upon which any penalty has accrued shall then remain unpaid, unless provision for the payment thereof is made at the date of the acquisition thereof by the fund.

(III) The unpaid principal amount of the bonds or other obligations secured by such mortgage shall not exceed two-thirds of the fair value of the mortgaged property.

(c) A mortgage investment fund shall not contain any mortgage securing bonds or other obligations, the unpaid principal amount of which exceeds ten thousand dollars, unless the total book value of all the assets in any such fund exceeds two hundred thousand dollars, in which event the fund may contain mortgages securing bonds or other obligations, the unpaid prin-

cipal amount of which does not exceed five per centum of such total value or fifty thousand dollars, whichever amount is the lesser.

(d) The term "fair value" of real estate shall mean the value placed thereon in a written appraisalment by two reputable persons familiar with real estate value in the vicinity of such real estate who shall actually have inspected the property before making the appraisalment, and shall so certify therein. Any such appraisalment shall be filed and preserved among the records of the fiduciary.

(2) In mortgages of one or more individuals or corporations upon improved real estate, including improved farm lands, situated within this Commonwealth securing bonds or other obligations insured by the Federal Housing Administrator prior to the first day of July, one thousand nine hundred and thirty-seven, pursuant to the provisions of Title two of the National Housing Act, approved the twenty-seventh day of June, one thousand nine hundred and thirty-four, or thereafter insured by such administrator with like force and effect pursuant to any amendment, revision or extension of the provisions of the said act. At the date of the investment in any such mortgage, the said insurance thereon shall be in full force and effect.

(3) In the event that mortgages in which the moneys of the mortgage investment fund may be invested cannot be obtained, any such moneys available for investment may be temporarily invested in the following securities, bonds or obligations, either bearing interest, or sold on a discount basis of the United States or the United States Treasury, or those for the payment of the principal and interest on which the faith and credit of the United States is pledged, including such bonds or obligations of the District of Columbia, or in bonds or other interest-bearing obligations of the Commonwealth of Pennsylvania, or those for payment of the principal and interest on which the faith and credit of the Commonwealth is pledged. However, the amount invested in such securities shall not exceed twenty per centum of the total book value of all the assets contained in any such fund, and as soon as mortgages in which the moneys of the mortgage investment fund may be invested can be obtained, such securities shall be sold and the proceeds invested in such mortgages.

C. No further investment of the moneys contained in any such fund shall be made when the amount of cash contained therein, excluding cash consisting of income, shall be less than five per centum of the total amount of all outstanding participations in the fund.

D. No mortgage shall be acquired by the mortgage investment fund until such mortgage has been reviewed

by the board of directors of such bank and trust company or trust company, or by a duly authorized committee of such board, including at least two members thereof, and approved by the board or such committee as a proper investment for inclusion in such fund. Similarly no moneys of such fund shall be invested in other securities until such board of directors, or such committee thereof, has determined that no mortgages, in which the moneys of the fund may be invested, can be obtained, and has approved of the investment in such securities as a proper investment of the moneys of such fund. All such reviews and approvals of mortgages and determinations and approvals of other investments shall be recorded in the minutes of the meetings of such board of directors, or of such committee thereof.

E. The real estate upon which each mortgage contained in any such fund is secured, and any real estate contained in the fund, except real estate secured upon mortgages of one or more individuals or corporations securing bonds or other obligations insured by the Federal Housing Administrator prior to the first day of July, one thousand nine hundred and thirty-seven, pursuant to the provisions of Title two of the National Housing Act, approved the twenty-seventh day of June, one thousand nine hundred and thirty-four, or thereafter insured by such administrator with like force and effect pursuant to any amendment, revision or extension of the provisions of said act, shall be appraised at least once every three years by two reputable persons appointed by the board of directors of such bank and trust company or trust company familiar with real estate values in the vicinity where any such real estate is situated, who shall actually have inspected such real estate and shall so certify in such appraisal. Any such appraisal shall be filed and preserved among the records of the fiduciary.

Section 1109-3. Investments of Fiduciary Funds in Mortgage Investment Funds.—A. The total amount of the funds of any one trust estate invested in a mortgage investment fund shall not exceed one thousand dollars or two per centum of the total book value of all the assets contained in any such mortgage investment fund, whichever amount is the greater. Such bank and trust company or such trust company shall designate clearly upon its books and records the names of the estates the funds of which have been invested in such fund, and the total amount of the funds of such estates so invested. No such estate shall be deemed to have individual ownership of any mortgage, security or other asset contained in any such fund, but shall be deemed to have an undivided interest in the fund, the incidents of such ownership being as herein set forth.



*The bank and trust company or the trust company may issue a certificate of participation for every estate on behalf of which such bank and trust company or trust company as fiduciary owns an undivided interest in such fund. Such certificate shall state on its face that it is issued without guarantee by the issuing bank and trust company or trust company of the payment of either principal or interest, and that it will be paid only when funds become available out of the bonds secured by mortgages or out of the securities comprising the fund. It shall also state any other important condition covering such situation.*

*B. Such bank and trust company or such trust company may sell and transfer participations in any such fund from one estate of which such bank and trust company or trust company is the fiduciary with any other person or corporation to any other such estate, or, in order to make distribution, such participations may be sold by a bank and trust company to its commercial department, which may, in turn, resell the same to another trust estate of which it is the fiduciary, but not to any other corporation or person.*

*C. Except as herein otherwise provided, upon the termination of any trust estate the funds of which have been invested in any such mortgage investment fund, such estate or the beneficiaries thereof shall be entitled to receive in cash the total amount of the funds of such estate invested in such fund with the income thereon determined, as herein provided, to the date of such payment, but such income shall not be paid until the amount thereof shall have been determined on the next accounting date, as herein provided. However in the event that, upon the termination of any such trust estate, there shall not be available sufficient cash to pay the amount of its participation in the fund, such bank and trust company or such trust company may issue withdrawal certificates of participation in the fund for the amount of such estate's participation in the fund not paid in cash. Such certificates shall state that they may be redeemed by the mortgage investment fund at any time, and they shall be so redeemed as soon as funds are available for such purpose. Such certificate shall also state that it is issued without guarantee by the issuing bank and trust company or trust company of the payment of either principal or interest, and that it will be paid only when funds become available out of the bonds secured by mortgages or out of the securities comprising the fund. It shall also state any other important condition covering such situation. Until redeemed, the owners of any such withdrawal certificates shall be entitled to distributions of income from the fund, as herein provided. So long as any such certificates are outstanding, no further*

*investments of the moneys contained in the fund shall be made, and no new investment therein shall be made of the funds of any estate of which such bank and trust company or such trust company is the fiduciary, as herein provided. In the event any such mortgage investment fund is closed and placed in liquidation, as herein provided, while any such withdrawal certificates are outstanding, the holders thereof shall receive no preferences, but shall have the same rights as the owners of other participations in such fund.*

*Section 1109-4. Management of Mortgage Investment Funds.—A. A bank and trust company or a trust company maintaining a mortgage investment fund shall invest and reinvest the moneys of such fund as herein provided, collect the income arising therefrom, and, at least semi-annually, it shall determine the net income of the fund during the period since the last determination thereof.*

*B. Such bank and trust company or such trust company shall establish and maintain a reserve account as an integral part of the fund. At the close of each earning period, if the total amount contained in such reserve account is less than ten per centum of the total amount of all outstanding participations in the fund, such bank and trust company or such trust company shall transfer to such reserve account out of net income of the fund such amount as the bank and trust company or the trust company, in its discretion, shall determine to be proper under the circumstances, but the total of the amounts so to be transferred to the reserve account during any year shall not be less than one-half of one per centum nor more than one per centum of the average of the total amounts of all outstanding participations in the fund at the close of each earning period.*

*C. The balance of the net income remaining after transferring such part thereof to the reserve account, as herein provided, shall thereupon be distributed among the owners of the outstanding participations in the fund, and the owners of withdrawal certificates of participation, in proportion to the amounts of their participations and the period of time owned.*

*D. When any such mortgage investment fund shall have acquired the real estate upon which any mortgage contained in the fund was secured, either by the foreclosure of any such mortgage or otherwise, such mortgage shall be removed from the fund's mortgage account, and the real estate so acquired shall be transferred to the fund's real estate account. Upon the subsequent sale of any such real estate, the gain or loss shall be the difference between the sale price and the value at which such real estate was carried in the fund's real estate account. Any such loss shall be charged against the reserve*

account and any such gain shall be credited to such reserve account.

*E.* Upon the sale of any security contained in such fund, the bank and trust company or the trust company shall determine the gain or loss thereon, being the difference between the sale price and the book value thereof. Any such loss shall be charged against the reserve account and any such gain shall be credited to such reserve account.

*Section 1109-5. Closing and Liquidation of Mortgage Investment Funds. — A.* A mortgage investment fund may be closed by a bank and trust company or a trust company at any time by resolution of its board of directors, regularly adopted and duly recorded in the minutes of the meetings of such board of directors.

*B.* A mortgage investment fund shall be closed when either of the following conditions exist:

(1) When the sum of the following items, less the amount of the reserve account, exceeds ten per centum of the total book value of all of the assets contained in any such fund:

(a) The total amount of unpaid principal of all mortgages contained in the fund upon which any interest remains due and unpaid for six months after such interest became due and payable.

(b) The total amount of unpaid principal of all mortgages contained in the fund which are secured upon real estate upon which taxes have been levied and assessed, which remain unpaid for six months after such taxes have been, or could have been, certified as delinquent by the proper taxing authority.

(c) The total amount of unpaid principal of all mortgages contained in the fund upon which the unpaid principal amount exceeds two-thirds of the last appraised value of the mortgaged real estate, and such unpaid principal amount has not been reduced by the amount of such excess within six months from the date of such last appraisal.

(d) The total amount of the book value of all of the real estate contained in the fund.

(e) The excess of the book value of any securities contained in the fund over the current market value of such securities.

In determining the sum of the foregoing items any mortgage which could be included either in item (a), (b) or (c) shall only be included in one of such items, and all mortgages securing bonds or other obligations insured by the Federal Housing Administrator in which moneys of such fund may be invested as herein provided, shall be excluded from the said items if the insurance on such mortgages is in full force and effect.

(2) When the total amount of unpaid principal of

*all mortgages contained in the fund upon which any amortization payment remains due and unpaid for a period of six months after such payment became due exceeds twenty per centum of the total book value of all the assets contained in such fund. However, when amortization payments totalling twenty-five per centum of the principal amount secured by any such mortgage have been made, such bank and trust company or such trust company may permit the suspension of further amortization payments for a period not exceeding two years, and in such event, any such mortgage during the period of such suspension shall not be included in determining the total amount of this item.*

*C. When a mortgage investment fund, created after the effective date of this act, is closed as herein provided, no further investments therein shall be made, and the bank and trust company or the trust company shall file a petition for the liquidation of such fund in the court which has theretofore exercised jurisdiction over it, or if no court has yet exercised such jurisdiction, then in the court of common pleas or the orphans' court of the county in which the principal place of business of the institution is located. Such petition shall set forth the closing of such fund, the reasons therefor, and other pertinent facts. Such notice of the filing of such petition shall be given and such hearings shall be had thereon, as such court may direct, and such court shall thereupon determine whether the fund should be liquidated, and shall either authorize such liquidation or make such other order as it shall deem necessary or advisable for the protection of all parties in interest.*

*If the court authorizes the liquidation of any such fund, the bank and trust company or the trust company shall continue to collect the income therefrom and to determine and distribute the net income thereof semi-annually, as herein provided, and when it shall have accumulated sufficient funds available for the payment of the principal of outstanding participations and withdrawal certificates of participation, it may, and when such accumulated funds equal ten per centum of the total amount of all such participations and certificates, it shall distribute such funds among the owners of such participations and certificates. All such distributions of income and principal shall be made among all owners of participations and withdrawal certificates of participation in the fund, as of the date such fund was closed, in proportion to the amounts thereof, and in the case of income, in proportion to the period owned. Upon final liquidation, if all of the owners of such participations and withdrawal certificates of participation have been paid in full, and any funds remain undistributed, in-*

cluding any balance in the reserve account, such funds shall be regarded as principal, and shall also be distributed among the owners of such participations and certificates in proportion to the amounts thereof.

D. When a mortgage investment fund has been closed, either before or after the effective date of this act, the bank and trust company or the trust company or any other party in interest may petition the court for an order directing the payment of all or a part of any participation or withdrawal certificate of participation in advance, or on other than a pro rata basis in cases of emergency or necessity, or by any such petition may submit to the court a plan for the liquidation of the fund and the payment of such participations and withdrawal certificates in any manner which may be deemed necessary or advisable under the circumstances. Any such petition shall set forth all the pertinent facts, and such notice of the filing thereof shall be given and such hearings thereon shall be had, as the court shall direct. Thereupon the court may direct such payment or approve such plan or enter such order as it shall deem fitting and proper under the circumstances, having due regard for the protection of the owners of all participations and withdrawal certificates of participation.

Section 1109-6. *General Provisions.* — Except as herein otherwise specifically provided in this act, the provisions hereof relating to mortgage investment\* funds shall be applicable to any such fund hereafter established and to any pool or fund containing mortgages heretofore established by any bank and trust company or trust company. Any such mortgage investment fund or pool or fund containing mortgages which does not conform to the provisions of this act, shall be closed, and no further investments therein shall be made, and, in the case of any such mortgage investment fund hereafter established, such bank and trust company or trust company shall proceed to liquidate such fund as provided in this act.

Section 3. *Effective Date.*—This act shall become effective immediately upon final enactment. When effective.

APPROVED—The 5th day of June, A. D. 1937.

GEORGE H. EARLE

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\* "investment" in the original.