

*savings bank to any of its mortgage borrowers, for repair, alteration or improvement of the mortgaged real estate, on the security of a note which is insured or to be insured by the Federal Housing Administrator pursuant to the provisions of Title I of the National Housing Act, approved the twenty-seventh day of June, one thousand nine hundred thirty-four, its amendments and supplements.*

Act effective immediately.

Section 2. This act shall become effective immediately upon its final enactment.

APPROVED—The 27th day of July, A. D. 1953.

JOHN S. FINE

No. 170

AN ACT

To further amend section 1212 and to amend section 1214 of the act, approved the fifteenth day of May, one thousand nine hundred thirty-three (Pamphlet Laws 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," by further providing concerning the powers and limitations on powers of savings banks.

"Banking Code."

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

Section 1212, act of May 15, 1933, P. L. 624, as amended in part by act of June 28, 1951, P. L. 658, amended.

Section 1. Section 1212 of the act, approved the fifteenth day of May, one thousand nine hundred thirty-three (Pamphlet Laws 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," as amended in part by the act, approved the twenty-eighth day of June, one thousand nine hundred fifty-one (Pamphlet Laws 658), is hereby amended to read as follows:

Section 1212. Restriction on Ownership or Holding of Real Property by a Savings Bank.—

[A.] Except as otherwise provided in this act, a savings bank shall not purchase, own, or hold any real property, except as follows:

(1) Such real property as it occupies, or intends to occupy, pursuant to the provisions of this act, for its accommodation in the transaction of its business, and for the providing of such reasonable parking facilities for the use of its directors, officers, employees and customers as may be approved by the department, or such real property which it partly so occupies and partly leases, pursuant to the provisions of this act.

(2) Such as it shall purchase at sales under judgments, decrees, or mortgages held by it, or as it shall otherwise acquire in good faith in satisfaction of debts previously contracted to it, or in order to protect an interest it may otherwise have lawfully acquired in such property.

[B. A savings bank shall not own or hold any real property, other than such real property as it occupies, or intends to occupy, for its accommodation in the transaction of its business, or such real property as it partly so occupies and partly leases to others, pursuant to the provisions of this act, for a period longer than five years after the acquisition of such real property, or five years after the effective date of this act, but the department may, upon application of a savings bank, grant to it in writing the power to hold such real property for a longer period.] This section shall not be construed to prevent any savings bank from making improvements to properties owned but not occupied by the savings bank for the purposes of sale or lease.

Section 2. Section 1214 of the said act is hereby amended to read as follows:

Section 1214,  
said act,  
amended.

Section 1214. Protection against Loss on Previous Loan or Investment.—The restrictions imposed by this act shall not be construed to prevent a savings bank, in order to protect itself from loss upon a loan or investment previously made lawfully and in good faith, from acquiring ownership of, or otherwise taking and holding, any kind of property or security, whether real or personal. [Except as otherwise provided by this act, any property so acquired, unless of the character and nature by this act authorized to be purchased or held by such savings bank, shall be sold by it within five years, but the department may, upon application of a savings bank, grant to it in writing the power to hold such property for a longer period.] *An itemized written schedule of all such property or security held, which is not of the character and nature by this act authorized to be purchased or held by such savings bank, shall be reviewed at least once a year by the trustees of such savings bank, which trustees, by affirmative vote of a majority of the members thereof recorded in its minutes, shall determine which such property it is advisable to continue to retain.*

Act effective immediately.

Section 3. This act shall become effective immediately upon its final enactment.

APPROVED—The 27th day of July, A. D. 1953.

JOHN S. FINE

---

No. 171

AN ACT

Validating and confirming certain contracts heretofore entered into by boards of school directors where there is no evidence of fraud or conspiracy and authorizing or ratifying payments on such contracts by the school district.

Schools.

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

Contracts heretofore entered into by boards of school directors, though legally void, ratified where no evidence of fraud or conspiracy.

Section 1. When any board of school directors has heretofore contracted for labor, materials and supplies for the school district, the purchase of which by contract is authorized under the provisions of the school laws of the Commonwealth, and the board of school directors has actually received the labor, materials and supplies and they are being used by the school district, if the contract does not evidence any fraud or conspiracy to violate the provisions of the school laws of the Commonwealth and the school district has not suffered any pecuniary loss as the result of the contract, then the contract shall be valid and binding on the school district and payment for the labor, materials and supplies by