

No. 604

AN ACT

Amending the act of May fifteen, 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," prohibiting the assumption and use of deceptive names by corporations and persons not authorized to engage in the banking business; providing for investments of loans by and the purchase, sale and creation of obligations by banks, bank and trust companies, trust companies and savings banks; providing for the voluntary liquidation of banks, bank and trust companies and trust companies, and further providing for the powers and limitation on powers of corporations authorized to engage in a banking business.

Banking Code.

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

Subsection A, section 2, act of May 15, 1933, P. L. 624, amended by adding a new definition.

Section 1. Subsection A of section two, act of May fifteen, one thousand nine hundred thirty-three (Pamphlet Laws 624), known as the "Banking Code," is amended by adding, after the definition of "Institution," a new definition to read:

Section 2. Definitions.—A. The following terms shall be construed in this act to have the following meanings, except in those instances where the context clearly indicates otherwise:

* * * * *

Leasehold interest.

"Leasehold interest" means a lease upon real estate which is security for the payment of an obligation and which, by its terms, is a lease having a period of not less than fifty years to run from the date the obligation on such leasehold is executed or is renewable for a period of at least fifty years from the date of the obligation,

and the right of renewal of the lease on behalf of the lessee shall be vested in the mortgagee until the obligation is eliminated or paid off.

* * * * *

Section 2. The section heading and subsection A of section 201 of the act, amended April twelve, one thousand nine hundred fifty-one (Pamphlet Laws 204), is amended to read:

Section heading and subsection A, section 201, act of May 15, 1933, P. L. 624, amended April 12, 1951, P. L. 204, further amended.

Section 201. Institution Name; Change of Name; Assumption or Use of Deceptive Names, Titles or Descriptions.—A. The name of an institution may be in any language, but it shall be expressed in English letters or characters. In the case of a bank, it shall contain in English the word “bank” or “banking,” in the case of a bank and trust company, the words “bank” and “trust” or “bank and trust company” or “company for banking and trusts,” in the case of a trust company, the words “trust company” or “company for trusts,” in the case of a savings bank, the words “mutual savings bank,” in the case of a private bank, the words “private bank” or “unincorporated bank,” and in the case of an employes’ mutual banking association, the words “employes’ mutual.” The name of a bank or private bank shall not contain the words “trust,” or “savings,” and the name of a savings bank shall not contain the word “trust.” The name of an institution shall not contain any word which may deceptively lead to the conclusion that it is authorized to perform any act or conduct any business which is forbidden to it by law, by its charter, or otherwise. The name of an institution shall not contain the words “Government,” “Official,” “Federal,” “National,” “United States,” or abbreviations thereof.

The name of an institution shall not be the same as, or deceptively similar to, that of any other corporation authorized to transact business in this Commonwealth, or the name of any unincorporated body whatsoever, voluntarily registered with the Department of State under any act, unless such other corporation or unincorporated body is about to change its name, or to cease doing business, or is being wound up, or, in the case of a foreign corporation, is about to withdraw from doing business in this Commonwealth, and the written consent of such other corporation or unincorporated body to the adoption of its name, or a deceptively similar name, has been given and is filed with the Department of State and with the Department of Banking.

No other person, firm or corporation, other than a National Banking Association or other corporation in-

corporated under and pursuant to any act of Congress shall assume, use or advertise any name, title or description deceptively similar to the name of any institution subject to the provisions of this act nor use the words "bank," "banking," or "trust" in its name or title. The Department of State shall not approve as a corporate name or register as a fictitious name, any such name, title or description.

* * * * *

Subsection B, section 201, act of May 15, 1933, P. L. 624, amended May 12, 1949, P. L. 1227, further amended.

Section 3. Subsection B of section 201 of the act, amended May twelve, one thousand nine hundred forty-nine (Pamphlet Laws 1227), is amended to read:

Section 201. * * *

B. The provisions of this section shall not apply to any name which is in existence upon the effective date of this act. The name of any institution *or corporation* existing upon the effective date of this act may be used by such institution *or corporation*, and by any successor *or surviving* corporation formed by the consolidation or merger of such existing institution *or corporation* with another institution *or corporation*, as provided in this act *for institutions and by applicable law for corporations*. The name of an institution existing upon the effective date of this act may also be used by a new institution incorporated under this act, if such new incorporated institution is formed in pursuance of a plan of segregating the banking business and the trust business of an existing institution. However, if an existing institution shall desire to change its name in any manner whatsoever, pursuant to the provisions of this act, the new name shall comply in every detail with the requirements of this section. A change in name shall be effected, in the case of an incorporated institution, in the regular manner provided by this act for amending its articles, and, in the case of a private bank, in the manner provided by law for a change in the registered name of an individual trading alone or of an *unincorporated association, except that the assent of the Department of Banking shall be required.

* * * * *

Clause (5), subsection A, section 1001, act of May 15, 1933, P. L. 624, amended April 6, 1945, P. L. 155, further amended.

Section 4. Clause (5) of subsection A of section 1001 of the act, amended April six, one thousand nine hundred forty-five (Pamphlet Laws 155), 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

* "unincorporated" in original.

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:

* * * * *

(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 any fractional interest in any such single evidence of debt from, or to other banks, bank and trust companies, savings banks, or trust companies incorporated under the laws of this or any other state, national banking associations, 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.*

* * * * *

Section 5. Subsection A of section 1001 of the act is amended by adding, at the end thereof, a new clause to read:

Subsection A, section 1001, act of May 15, 1933, P. L. 624, amended by adding a new clause (19).

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:

* * * * *

(19) *To sell mortgages to the Federal National Mortgage Association in accordance with the provisions of Title III of the National Housing Act of one thousand nine hundred thirty-four, approved June 27, 1934, its amendments and supplements, or any other corporation hereafter succeeding to the assets, liabilities and functions of said Federal National Mortgage Association in accordance with said act or any other applicable legislation hereafter adopted by the Congress of the United States and, in connection therewith, to make payments of nonrefundable capital contributions to, and receive common stock of, said association or any corporation succeeding to its assets, liabilities and functions.*

Section 6. Clause (5) of subsection B of section 1001 of the act, amended July twenty-nine, one thousand nine hundred forty-one (Pamphlet Laws 586), is amended to read:

Clause (5), subsection B, section 1001, act of May 15, 1933, P. L. 624, amended July 29, 1941, P. L. 586, further amended.

Section 1001. Powers of Banks, Bank and Trust Companies, or Trust Companies.— * * *

B. In addition to the general corporate powers granted by this act, and in addition to any powers specifically granted to a trust company elsewhere in this act, a trust company shall have the following powers, subject to the limitations and restrictions imposed by this act:

* * * * *

(5) To make any investments, subject to the [same] limitations as in the case of savings banks incorporated hereunder, *except that the limitations in the case of such savings banks upon investment in preferred, guaranteed or common stock (i) of five per centum of the book value of the assets of the institution and (ii) in such stock in any corporation of one-fifth of one per centum of the book value of the assets of the institution as set forth in subclauses (f) and (g), respectively, of clause (3) of subsection C of section 1208 hereof shall not apply, and, also, including such investments as are specifically authorized by its articles.*

* * * * *

Subsection B, section 1009, act of May 15, 1933, P. L. 624, amended January 14, 1952, P. L. 1994, further amended.

Section 7. Subsection B of section 1009 of the act, amended January fourteen, one thousand nine hundred fifty-two (Pamphlet Laws 1994), is amended to read:

Section 1009. Limitation upon Investing in Shares.—

* * * * *

B. Any bank or bank and trust company may purchase or invest an amount not in excess of ten per centum of its unimpaired capital and ten per centum of its unimpaired surplus in the shares of *common stock of the Federal National Mortgage Association issued in accordance with the provisions of Title III of the National Housing Act of one thousand nine hundred thirty-four, approved June 27, 1934, its amendments and supplements, or of any other corporation hereafter succeeding to the assets, liabilities and functions of said association in accordance with said act or any other applicable legislation hereafter adopted by the Congress of the United States or in the shares of any national banking association, located within this Commonwealth, or the shares of any bank, bank and trust company, or trust company, incorporated under the laws of this Commonwealth: Provided, That no such purchase or investment may be made if the resulting ownership of shares in such national banking association or bank, bank and trust company or trust company exceeds ten per centum of the authorized capital of such national banking association or bank, bank and trust company or trust company. Any bank or bank and trust company may purchase or invest in the shares of a Federal Reserve Bank, or the shares*

of any corporation organized under the laws of this Commonwealth solely for the purpose of conducting a safe deposit business, without regard to any limitations prescribed by this act. *Any bank or bank and trust company may, to the extent approved by the department, purchase or invest in the shares of any corporation holding the premises of such bank or bank and trust company or in the shares of any corporation owning reasonable parking facilities for the use of its directors, officers, employes and customers, subject to the limitations of this act.*

This subsection shall not be construed to affect the shares of any national banking association located within this Commonwealth, or the shares of any bank, bank and trust company, or trust company incorporated under the laws of this Commonwealth, lawfully held on the effective date of this amendment. However, such shares shall be computed in determining the power under this act of a bank or bank and trust company to make any additional purchases of, or investment in, such shares.

* * * * *

Section 8. Subsection A of section 1012 of the act, reenacted July twenty-seven, one thousand nine hundred fifty-three (Pamphlet Laws 607), is amended to read:

Subsection A.
section 1012, act
of May 15, 1933,
P. L. 624,
reenacted July
27, 1953, P. L.
607, amended.

Section 1012. Loans on and Investments in Bonds and Mortgages and Judgments of Record.—A. A bank or a bank and trust company shall have the power to lend on the security of, or invest in, bonds secured by mortgages upon real property, but it shall lend upon, or invest in, only such bonds and mortgages as (1) are first liens on unencumbered improved real property, including improved farm land, situated within the Commonwealth, or within fifty miles of a boundary thereof, and (2) do not exceed two-thirds of the actual value of such real property, and (3) become due within ten years after the making of such loan or investment unless amortized over a period not exceeding twenty years after the making of such loan or investment in monthly, quarterly, semi-annual or annual payments sufficient in amount to pay all interest and effect full repayment of principal within such twenty-year period: Provided, however, That a bank or a bank and trust company while having the entire investment in such a first lien on real property may, subject to like conditions in respect to amortization, invest in a second lien on the same real property, which may be either a bond and mortgage or a judgment, if the total amount invested in both liens does not at any time exceed two-thirds of the actual value of such real property. Any build-

ing which is upon, and is included in the valuation of, such real property shall be insured against loss by fire, to the benefit of such bank or bank and trust company, by the borrower or mortgagor during the term of the bond, mortgage or judgment, in a company which is authorized to do business in Pennsylvania and is approved by the bank or bank and trust company making the investment. It shall be lawful for a bank or bank and trust company to renew such policies, at the expense of the borrower or mortgagor, from year to year, or for a longer or a shorter period, not however, exceeding the term of the obligation, in case he shall fail to do so. All necessary charges and expenses paid by such bank or bank and trust company for such renewals shall be paid by such borrower or mortgagor. In case such borrower or mortgagor shall refuse, upon demand, to pay such charges and expenses, they shall be added to the amount secured by the mortgage or judgment, and shall, together with interest from the date of the payment of such charges and expenses, constitute a lien upon the property subject to the mortgage or judgment. All expenses of searches, examinations, certificates of title, or appraisal of actual value, and all expenses of drawing and recording of papers, shall be paid by such mortgagor or borrower. The actual value of the real property shall be determined by two reputable persons, especially familiar with real property values in the vicinity of the particular property to be appraised, selected from or approved by the board of directors. They shall inspect the property, and shall state, in writing, that the actual value of the real property inspected, to the best of their judgment, is as stated. Such report shall be filed and preserved among the records of the bank or bank and trust company. The provisions of this subsection shall not apply to loans on the security of, or investments in, bonds secured by mortgages upon leasehold interests in real property made under such rules and regulations as may be prescribed by the Secretary of Banking, with the approval of the Banking Board, nor to loans on the security of bonds secured by mortgages upon real property situated within the Commonwealth, or within fifty miles of a boundary thereof, made or for which a written commitment to guarantee has been made, in accordance with the provisions of the "Servicemen's Readjustment Act of 1944," its amendments and supplements, and rules and regulations promulgated from time to time pursuant to the provisions of said act, provided that such loans are guaranteed in an amount equal to at least twenty per centum thereof, nor shall the provisions of this section apply to bonds secured by mortgages

which are insured by, or for which a commitment to insure has been made by, the Federal Housing Administrator, pursuant to the provisions of the National Housing Act of one thousand nine hundred and thirty-four, approved the twenty-seventh day of June, one thousand nine hundred and thirty-four, its amendments and supplements, nor shall the provisions of this subsection apply to loans on the security of bonds secured by mortgages upon real property situated within the Commonwealth for which a written commitment to insure the payment thereof has been made by the United States Department of Agriculture, in accordance with the provisions of Title I of the Bankhead-Jones Farm Tenant Act of the twenty-second day of July, one thousand nine hundred thirty-seven, its amendments and supplements, rules and regulations, promulgated from time to time pursuant to the provisions of said act, *nor shall the provisions of this subsection apply to loans secured, in whole or in part, by bonds secured by mortgages made under the provisions of the Small Business Act of 1953, approved July 30, 1953, its amendments and supplements, and rules and regulations promulgated from time to time pursuant to the provisions of said act,* nor to public utility, railroad, or industrial bonds, or other securities, commonly known as investment securities, although such bonds may be secured in whole or in part by a mortgage upon real property.

* * * * *

Section 9. Subsection A of section 1015 of the act is amended to read:

Subsection A,
section 1015, act
of May 15, 1933,
P. L. 624,
amended.

Section 1015. Limitation on *Holdings in Bank Buildings [Owned or Leased, and], Furniture and Fixtures Therein, and Parking Facilities.*—A. The cost of the real property, including the building or buildings thereon, which a bank, a bank and trust company, or a trust company occupies, or intends to occupy, for the transaction of its business, or partly so occupies and partly leases to others, together with the cost of furniture and fixtures therein which are owned by such institution, *and together with cost of the shares of any corporation holding the premises of such bank or bank and trust company or trust company and the shares of any corporation owning reasonable parking facilities for the use of its directors, officers, employes and customers,* shall not at any time exceed in the aggregate twenty-five per centum of its unimpaired capital, plus twenty-five per centum of its unimpaired surplus, except with the written approval of the department. Before the erection of a building or buildings is commenced, the estimate of the costs

thereof shall be submitted to the department for its approval.

* * * * *

Clause (3),
section 1202, act
of May 15, 1933,
P. L. 624,
amended July 29,
1941, P. L. 586,
further amended.

Section 10. Clause (3) of section 1202 of the act amended July twenty-nine, one thousand nine hundred forty-one (Pamphlet Laws 586), is amended 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:

* * * * *

(3) To borrow money [to repay the demands of depositors,] and to pledge its assets therefor;

* * * * *

Section 1202, act
of May 15, 1933,
P. L. 624,
amended July 29,
1941, P. L. 586,
amended by
adding a new
clause (14).

Section 11. Section 1202 of the act, amended July twenty-nine, one thousand nine hundred forty-one (Pamphlet Laws 586), is amended by adding, at the end, 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:

* * * * *

(14) To sell mortgages to the Federal National Mortgage Association in accordance with the provisions of Title III of the National Housing Act of one thousand nine hundred thirty-four, approved June 27, 1934, its amendments and supplements, or any other corporation hereafter succeeding to the assets, liabilities and functions of said Federal National Mortgage Association in accordance with said act or any other applicable legislation hereafter adopted by the Congress of the United States, and to service such mortgages as agent for the purchaser in connection with such sale and to make payments of nonrefundable capital contributions to, and receive common stock of, said association or any corporation succeeding to its assets, liabilities and functions.

Section 1207, act
of May 15, 1933,
P. L. 624,
amended.

Section 12. Section 1207 of the act is amended to read:

Section 1207. Borrowing Money and Pledging Assets Therefor.—A. A savings bank may borrow money, and may pledge or hypothecate any of its assets as security therefor [solely] for the purpose of repaying deposits.

[Such borrowings shall not be made except after the approval of a majority of the members present at a legally constituted meeting of the board of trustees.]

B. A savings bank may borrow money, and may pledge or hypothecate any of its assets as security therefor for purposes other than repayment of deposits in an amount which at any one time shall not exceed an amount equal to five per centum of the book value of its assets during a continuous period not exceeding three months, unless a longer period is approved by the department, but whenever it shall appear to the department that a savings bank is borrowing habitually for the purpose of relending, it may require such savings bank to cease such practice.

C. Borrowings under this section shall not be made except after the approval of a majority of the members present at a legally constituted meeting of the board of trustees.

Section 13. Subclause (a) of clause (8) of subsection A and clauses (1) and (2) of subsection C of section 1208 of the act, amended July thirteen, one thousand nine hundred fifty-three (Pamphlet Laws 413), are amended to read:

Subclause (a), clause 8, subsection A and clauses (1) and (2), subsection C, section 1208, act of May 15, 1933, P. L. 624, amended July 13, 1953, P. L. 413, further amended.

Section 1208. Authorized Investments of Savings Banks Not Under Special Charter.—A. Except as otherwise specifically provided in this act, a savings bank other than a savings bank organized under a special act of the General Assembly, shall not make any investments except as follows:

* * * * *

(8) (a) Bonds or notes secured by mortgages or deeds of trust which are first liens upon unencumbered improved real property, including improved farm land, situated within any Commonwealth or State of the United States or the District of Columbia, to the extent of not more than two-thirds of the actual value of such real property, and for a term not exceeding ten years, or for a term not exceeding twenty years, if such mortgages or deeds of trust contain provisions requiring monthly, quarterly, semi-annual or annual payments, sufficient in amount to pay all interest and effect full repayment of the principal within the term thereof: Provided, however, That such savings bank, while having the entire investment in such a bond or note, may, subject to like conditions in respect to amortization, invest in a bond or note secured by a mortgage or deed of trust or judgment which is a second lien on the same real property, if the total invested in both liens does not at any time

exceed two-thirds of the actual value of such real property. *The provisions of this subclause (a) shall not apply to loans on the security of, or investments in, bonds secured by mortgages upon leasehold interests in real property made under such rules and regulations as may be prescribed by the Secretary of Banking, with the approval of the Banking Board.*

* * * * *

C. A savings bank, other than a savings bank organized under a special act of the General Assembly, may make such additional investments as are authorized by its articles, but it shall not purchase or invest in bonds, secured by mortgage upon real property, other than such as are expressly authorized by this act, nor shall it invest in the shares of capital of any corporation whatsoever, except

(1) Shares of a Federal Reserve Bank *and, to the extent approved by the department, in the shares of common stock of the Federal National Mortgage Association issued in accordance with the provisions of Title III of the National Housing Act of one thousand nine hundred thirty-four, approved June 27, 1934, its amendments and supplements, or of any other corporation hereafter succeeding to the assets, liabilities and functions of said association in accordance with said act or any other applicable legislation hereafter adopted by the Congress of the United States;*

(2) Shares of any corporation organized under the laws of this Commonwealth for the purpose of conducting a safe deposit business *and, to the extent approved by the department, in the shares of any corporation holding the premises of such savings bank or in the shares of any corporation owning reasonable parking facilities for the use of its trustees, officers, employes and customers, subject to the limitations of this act;*

* * * * *

Section 1208, act of May 15, 1933, P. L. 624, amended July 13, 1953, P. L. 413, amended by adding a new subsection D.

Section 14. Section 1208 of the act, amended July thirteen, one thousand nine hundred fifty-three (Pamphlet Laws 413), is amended by adding, at the end, a new subsection to read:

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

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.

Section 15. Clauses (1) and (2) of subsection A and clause (1) of subsection B of section 1209 of the act, amended July thirteen, one thousand nine hundred fifty-three (Pamphlet Laws 413), are amended to read:

Clauses (1) and (2), subsection A, and clause (1), subsection B, section 1209, act of May 15, 1933, P. L. 624, amended July 13, 1953, P. L. 413, further amended.

Section 1209. Authorized Investments of Special Charter Savings Banks.—A. A savings bank organized under a special act of the General Assembly may make such investments as may be authorized by its articles of incorporation, but no such savings bank shall purchase or invest in the shares of capital of any corporation whatsoever, except

(1) Shares of a Federal Reserve Bank *and, to the extent approved by the department, in the shares of common stock of the Federal National Mortgage Association issued in accordance with the provisions of Title III of the National Housing Act of one thousand nine hundred thirty-four, approved June 27, 1934, its amendments and supplements, or of any other corporation hereafter succeeding to the assets, liabilities and functions of said association in accordance with said act or any other applicable legislation hereafter adopted by the Congress of the United States;*

(2) Shares of any corporation organized under the laws of this Commonwealth for the purpose of conducting a safe deposit business *and, to the extent approved by the department, in the shares of any corporation holding the premises of such savings bank or in the shares of any corporation owning reasonable parking facilities for the use of its trustees, officers, employes and customers, subject to the limitations of this act;*

* * * * *

B. No such savings bank shall purchase or invest in bonds or notes secured by mortgages or deeds of trust of real property, except

(1) Bonds or notes secured by mortgages or deeds of trust, which are first liens upon unencumbered improved real property, including improved farmland, situated within any Commonwealth or State of the United States or the District of Columbia, to the extent of not more than two-thirds of the actual value of such real property, and for a term not exceeding ten years, or for a term not exceeding twenty years, if such mortgages or deeds of trust contain provisions requiring monthly, quarterly, semi-annual or annual payments sufficient in amount to pay all interest and effect full repayment of principal within the term thereof: Provided, however, That a savings bank, while having the entire investment in such a bond or note, may, subject to like conditions in respect to amortization, invest in a bond or note

secured by a mortgage or deed of trust or in a judgment which is a second lien on the same real property, if the total invested in both liens does not at any time exceed two-thirds of the actual value of such real property. *The provision of this clause (1) shall not apply to loans on the security of, or investments in, bonds secured by mortgages upon leasehold interests in real property made under such rules and regulations as may be prescribed by the Secretary of Banking, with the approval of the Banking Board.*

* * * * *

Subsection C,
section 1210, act
of May 15, 1933,
P. L. 624,
amended July 27,
1953, P. L. 602,
further amended.

Section 16. Subsection C of section 1210 of the act, amended July twenty-seven, one thousand nine hundred fifty-three (Pamphlet Laws 602), is amended to read:

Section 1210. Limitation upon Loans and Discounts.—

* * * * *

C. The limitations imposed by this section shall not apply to the following: (1) investments authorized under sections 1208 and 1209 of this act, or (2) loans by a savings bank [to any of its mortgage borrowers,] *not exceeding in the aggregate five per centum of its total assets* for repair, alteration or improvement of [the mortgaged] real estate, [on the security of a note] which [is] *are* 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.

Subsection A,
section 1213, act
of May 15, 1933,
P. L. 624,
amended.

Section 17. Subsection A of section 1213 of the act is amended to read:

Section 1213. Limitation on *Holdings in Bank Buildings* [Owned or Leased, and], *Furniture and Fixtures Therein, and Parking Facilities.*—A. The cost of the real property, including the building or buildings thereon, which a savings bank occupies, or intends to occupy, for the transaction of its business, or partly so occupies and partly leases to others, together with the cost of furniture and fixtures therein which belong to the savings bank, *and together with cost of the shares of any corporation holding the premises of such bank or bank and trust company or trust company and the shares of any corporation owning reasonable parking facilities for the use of its directors, officers, employes and customers,* shall not at any time exceed in the aggregate twenty-five per centum of its unimpaired surplus, except with the written approval of the department. Before the erection of a building or buildings is com-

menced, the estimate of the costs thereof shall be submitted to the department for its approval.

* * * * *

Section 18. Clause (7) of subsection B of section 1423 of the act, added April twenty-one, one thousand nine hundred forty-nine (Pamphlet Laws 698), is amended to read:

Clause (7),
subsection B,
section 1423, act
of May 15, 1933,
P. L. 624, added
April 21, 1949,
P. L. 698,
amended.

Section 1423. Voluntary Liquidation and Dissolution, Banks, Bank and Trust Companies and Trust Companies.—* * *

B. * * *

(7) Any assets remaining after the discharge of all obligations shall be distributed to the shareholders in accordance with their respective interests. [No such] *Prior to the discharge of all such obligations, partial distribution [shall] may be made, only with the approval of the department and only to the extent specified in advance by it,* before (a) all claims of depositors and creditors have been paid, or, in the case of any disputed claim, the liquidating institution has transmitted to the Secretary of Banking a sum adequate to meet such liability; (b) all trusts and fiduciary relationships have been divested and settled to the satisfaction of the interested parties or the court having jurisdiction, or, in the case of any disputed claim arising therefrom, the bank and trust company or trust company has transmitted to the court having jurisdiction a sum adequate to meet such liability; and (c) any funds payable to a depositor or creditor and unclaimed have been paid through the Department of Revenue into the State Treasury, without escheat, and a report thereof filed with the Secretary of Banking.

* * * * *

APPROVED—The 29th day of May, A. D. 1956.

GEORGE M. LEADER

—
No. 605

AN ACT

Amending the act of June twenty-two, one thousand nine hundred thirty-one (Pamphlet Laws 720), entitled "An act providing for the taking over by the Commonwealth, under certain terms, conditions and limitations, of certain streets in cities of the second class, second class A, and third class as State highways, and for the improvement, construction, reconstruction, resurfacing and maintenance by the Commonwealth of certain defined widths of said streets; imposing duties on such cities and on public utility companies using such streets; providing that