

No. 180

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," increasing the unsecured amount a bank, bank and trust company, or trust company, may loan its salaried officers or employes or those of affiliated banking institutions.

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

Section 1. Subsection C of section 1007, act of May 15, 1933 (P. L. 624), known as the "Banking Code," amended April 21, 1949 (P. L. 686), is amended to read: Subsection C,
section 1007,
act of May 15,
1933, P. L. 624,
amended April
21, 1949, P. L.
686, further
amended.

Section 1007. Loans to Directors, Officers or Employes of a Bank, Bank and Trust Company, or a Trust Company; Penalty.— * * *

C. A bank, a bank and trust company, or a trust company shall not grant a loan in excess of [one] *two thousand five hundred* dollars to a salaried officer or employe thereof, or to a salaried officer or employe of an affiliated bank, bank and trust company, or trust company or an affiliated national banking association, as defined in this act, unless the amount of the loan in excess of [one] *two thousand five hundred* dollars be secured by the cash surrender value of life insurance in an amount equal to the amount of that portion of the loan which is in excess of [one] *two thousand five hundred* dollars or by collateral having an ascertained market value of at least twenty per centum more than the amount of the loan in excess of [one] *two thousand five hundred* dollars. The aggregate amount of loans to any such salaried officer or employe, including therein any extension of credit by means of letters of credit, or by acceptance of drafts for, or the discount or purchase of, notes, bills of exchange, or other obligations of such salaried officer or employe, shall not exceed ten per centum

of the unimpaired capital plus ten per centum of the unimpaired surplus of such bank, bank and trust company, or trust company. The limitations of this subsection relating to collateral, and the amount thereof, shall not be construed to prevent any such salaried officer or employe from obtaining a loan upon the security of a mortgage upon the home of such salaried officer or employe, nor shall the provisions of this subsection apply to loans to salaried officers or employes 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.

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Act effective immediately.

Section 2. This act shall take effect immediately.

APPROVED—The 20th day of June, A. D. 1957.

GEORGE M. LEADER

No. 181

AN ACT

Amending the act of June 16, 1836 (P. L. 715), entitled "An act relating to Reference and Arbitration," authorizing arbitration before the Municipal Court of Philadelphia.

Arbitration.

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

Section 8.1, act of June 16, 1836, P. L. 715, amended May 17, 1957, Act No. 66, further amended.

Section 1. Section 8.1, act of June 16, 1836 (P. L. 715), entitled "An act relating to Reference and Arbitration," amended May 17, 1957 (Act No. 66), is amended to read:

Cases at issue for less than \$2000 excluding title to real estate to be submitted to board of arbitration.

Section 8.1. The several courts of common pleas and the *Municipal Court of Philadelphia* may, by rules of court, provide that all cases which are at issue where the amount in controversy shall be two thousand dollars (\$2000) or less, except those involving title to real estate, shall first be submitted to and heard by a board of three (3) members of the bar within the judicial district. Cases which are not at issue and whether or not suit has been filed may be referred to the board of arbitration by agreement of reference signed by counsel for both sides in the case. Said agreement of reference shall define the issues involved for determination by the board and, when agreeable, shall also contain stipulations with respect to facts submitted or agreed or defenses waived. In such cases, the agreement of reference

Cases not at issue and suit not filed may be submitted by signed agreement of counsel of both sides.

Agreement to define issues, contain stipulations on facts and defenses waived.

* "referenc" in original.