

of beauty culture or as an apprentice in a beauty shop in this Commonwealth at the time this act goes into effect shall receive credit for such time and studies without complying with the requirements of this act as to age and preliminary education, provided such person shall make application to the department for registration as a student or apprentice within three months after this act goes into effect. Students, upon graduating from registered schools of beauty culture, may apply for, and receive from the department, a temporary permit to practice as an operator until the next regular examination held by the department under the provisions of this act.

Act effective
immediately.

Section 2. This act shall take effect immediately

APPROVED—The 2nd day of October, A. D. 1959.

DAVID L. LAWRENCE

No. 422

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," further providing for the making of loans on the security of real property by savings banks and authorizing savings banks to invest to a limited extent in banker's acceptance and bills of exchange.

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

Section 1. Subclause (a) of clause (8) of subsection A of section 1208, act of May 15, 1933 (P. L. 624), known as the "Banking Code," amended May 29, 1956 (P. L. 1816), is amended to read:

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, (i) 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, or (ii) to the extent of not more than eighty per centum of the actual value of such real property, and for a term not exceeding twenty-five years, if the improvements on such real property do not consist of a manufacturing plant or theater and if such mortgages or deeds of trust contain provisions requiring amortization as aforesaid: 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] the aforesaid proportions of the actual value of such real property: And provided further, That at least seventy-five per centum of the aggregate amount invested pursuant to subsection A clause (8), shall be invested in bonds or notes qualifying for purchase or investment pursuant to provisions other than those of subclause (ii) hereof. The provisions of this subclause (a) shall not apply to loans on the security of, or investments in, bonds or notes secured by mortgages or deeds of trust 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.

Banking Code.

Subclause (a), clause (8), subsection A, section 1208, act of May 15, 1933, P. L. 624, amended May 29, 1956, P. L. 1816, further amended.

* "Saving" in original.

Subsection A, section 1208 of the act, amended by adding a new clause (9).

Section 2. Subsection A of section 1208 of the act is amended by adding, at the end thereof, a new *clause to read:

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:

* * * * *

(9) *Bankers' acceptances and bills of exchange eligible for purchase in the open market by Federal reserve banks which have been accepted by a bank, a bank and trust company, a trust company, a national bank, an investment company or a banking corporation, organized under the laws of the United States, or of any Commonwealth or State thereof, or the District of Columbia, which is a member of the Federal reserve system: Provided, however, That the aggregate liability of any such bank, bank and trust company, trust company, national bank, investment company or banking corporation to any savings bank for acceptances, bills of exchange and deposits shall not exceed twenty-five per centum of the capital and surplus of such bank, bank and trust company, trust company, national bank investment company or banking corporation: And provided further, That not more than five per centum of the book value of the assets of the savings bank shall be loaned upon or invested in such acceptances and bills of exchange.*

Clause (1), sub section B, section 1209 of the act, amended May 29, 1956, P. L. 1816, further amended.

Section 3. Clause (1) of subsection B of section 1209 of the act, amended May 29, 1956 (P. L. 1816), is amended to read:

Section 1209. Authorized Investments of Special Charter Savings Banks.—

* * * * *

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, (a) 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

* "cause" in original.

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, *or (b) to the extent of not more than eighty per centum of the actual value of such real property, and for a term not exceeding twenty-five years, if the improvements on such real property do not constitute a manufacturing plant or theater and if such mortgages or deeds of trust contain provisions requiring amortization as aforesaid:* 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] *the aforesaid proportions* of the actual value of such real property: *And provided further, That at least seventy-five per centum of the aggregate amount invested pursuant to this subsection B shall be invested in bonds or notes qualifying for purchase or investment pursuant to provisions other than those of subclause (b).* The provisions of this clause (1) shall not apply to loans on the security of, or investments in, bonds or notes secured by mortgages or deeds of trust 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.

* * * * *

Section 4. Subsection C of section 1210 of the act, amended May 29, 1956 (P. L. 1816), is amended to read:

Subsection C,
section 1210 of
the act, amended
May 29, 1956,
P. L. 1816,
further amended.

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 not exceeding in the aggregate five per centum of its total assets for repair, alteration or improvement of real estate, which 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, *or (3) bankers' acceptances and bills of exchange eligible for purchase in the open market by Federal reserve banks which have been accepted by a bank, a bank and trust company, a trust company, a national bank, an investment company or a banking corporation, organ-*

ized under the laws of the United States, or of any Commonwealth or State thereof, or the District of Columbia, which is a member of the Federal reserve system: Provided, however, That the aggregate liability of any such bank, bank and trust company, trust company, national bank, investment company or banking corporation to any savings bank for acceptances, bills of exchange and deposits shall not exceed twenty-five per centum of the capital and surplus of such bank, bank and trust company, trust company, national bank, investment company or banking corporation: And provided further, That not more than five per centum of the book value of the assets of the savings bank shall be loaned upon, or invested in, such acceptances and bills of exchange.

Act effective immediately.

Section 5. This act shall take effect immediately.

APPROVED—The 2nd day of October, A. D. 1959.

DAVID L. LAWRENCE

No. 423

AN ACT

Amending the act of April 13, 1943 (P. L. 49), entitled "An act authorizing individual co-fiduciaries, in certain cases, to consent to investments in common trust funds, and validating consents heretofore given," enlarging the investment powers of co-fiduciaries.

Individual co-fiduciaries.

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

Section 1, act of April 13, 1943, P. L. 49, amended.

Section 1. Section 1, act of April 13, 1943 (P. L. 49), entitled "An act authorizing individual co-fiduciaries, in certain cases, to consent to investments in common trust funds, and validating consents heretofore given," is amended to read:

Individual co-fiduciaries authorized to consent to investment in common trust funds.

Section 1. An individual acting as co-fiduciary with a trust company, or bank and trust company, is hereby authorized with respect to moneys held by said trust company, or bank and trust company, and said individual as co-fiduciaries, to consent to an investment thereof in a common trust fund maintained by said trust company, or bank and trust company, under the laws of the Commonwealth of Pennsylvania, to the same extent that said trust company, or bank and trust company, as a sole