

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.

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Section 3. This act shall take effect immediately.

Act effective immediately.

APPROVED—The 7th day of August, A. D. 1961.

DAVID L. LAWRENCE

No. 419

AN ACT

Amending the act of May 5, 1933 (P. L. 457), entitled "An act relating to the business of building and loan associations; providing for the organization and voluntary dissolution of such associations; defining the rights, powers, duties, liabilities, and immunities of such associations and of their officers, directors, shareholders, solicitors, and other employes; prohibiting the transaction of business in this Commonwealth by foreign building and loan associations; conferring powers and imposing duties upon the courts, recorders of deeds, and certain State departments, commissions and officers; establishing limitations of actions; imposing penalties; and repealing certain acts and parts of acts," further regulating mortgage loans.

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

Building and Loan Code.

Section 1. The first paragraph of subsection B of section 903, act of May 5, 1933 (P. L. 457), known as the "Building and Loan Code," amended June 21, 1957 (P. L. 366), is amended to read:

First paragraph, subsection B, section 903, act of May 5, 1933, P. L. 457, amended June 21, 1957, P. L. 366, further amended.

Section 903. Security for Mortgage Loans.— \* \* \* \*

B. An association shall not grant any mortgage loan upon real property owned by the borrower in fee simple unless the mortgage securing such loan is a first lien upon [unencumbered] improved real property, the improvement being a dwelling for not more than \*twelve families, which is used or to be used in whole or in part for residential purposes, or upon real property upon which such an improvement is in the process of construction, situated anywhere within the Commonwealth, or within fifty miles of a boundary thereof, or where it is not a first lien upon such property, every equal or prior lien is owned by the association.

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Section 2. This act shall take effect immediately.

Act effective immediately.

APPROVED—The 7th day of August, A. D. 1961.

DAVID L. LAWRENCE

\* "twelve" in original.