

Section 1. Section 6, act of July 13, 1961 (P. L. 587), known as the "Uniform Act on Blood Tests to Determine Paternity," is amended to read:

Section 6, act of July 13, 1961, P. L. 587, amended.

Section 6. Applicability to Criminal Actions.—This act shall apply to criminal cases subject to the following limitations and provisions: (a) an order for the tests shall be made only upon application of a party or on the court's initiative, (b) the compensation of the experts shall be paid by the [county under order of court] *party requesting the blood test or by the county, as the court shall direct*, (c) the court may direct a verdict of acquittal upon the conclusions of all the experts under the provisions of section 4, otherwise the case shall be submitted for determination upon all the evidence, (d) the refusal of a defendant to submit to such test may not be used in evidence against said defendant.

APPROVED—The 14th day of August, A. D. 1963.

WILLIAM W. SCRANTON

No. 423

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," permitting savings banks to become members of a Federal Home Loan Bank, authorizing savings banks to invest in shares of a Federal Home Loan Bank, and further providing for authorized investments of savings banks not under special charter.

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

Clause (10),
section 1202, act
of May 15, 1933,
P. L. 624,
amended July 29,
1941, P. L. 586,
further amended.

Section 1. Clause (10) of section 1202, act of May 15, 1933 (P. L. 624), known as the "Banking Code," amended July 29, 1941 (P. L. 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:

* * * * *

(10) To become a member of a Federal Reserve Bank, and for such purpose, to purchase and hold so much of the capital of such Federal Reserve Bank as will, under any Federal Law, qualify it for membership therein, *and to become a member of a Federal Home Loan Bank, and, for such purpose, to purchase and hold so much of the capital of such Federal Home Loan Bank as will under any Federal law or regulation qualify it for membership therein;*

* * * * *

Section 1208 of
act, amended
April 22, 1937,
P. L. 349, June
28, 1951, P. L.
646, July 13,
1953, P. L. 413,
February 28,
1956, P. L. 1188,
May 29, 1956,
P. L. 1816, June
2, 1959, P. L.
449, October 2,
1959, P. L. 1012,
December 1,
1959, P. L. 1661,
December 3,
1959, P. L. 1711,
July 26, 1961,
P. L. 892 and
August 7, 1961,
P. L. 948, fur-
ther amended.

Section 2. Section 1208 of the act, amended April 22, 1937 (P. L. 349), June 28, 1951 (P. L. 646), July 13, 1953 (P. L. 413), February 28, 1956 (P. L. 1188), May 29, 1956 (P. L. 1816), June 2, 1959 (P. L. 449), October 2, 1959 (P. L. 1012), December 1, 1959 (P. L. 1661), December 3, 1959 (P. L. 1711), July 26, 1961 (P. L. 892) and August 7, 1961 (P. L. 948), 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:

(1) Bonds or other interest-bearing obligations of the United States, or those for the payment of the principal and interest on which the faith and credit of the United States is pledged, including the bonds or other interest-bearing obligations of the District of Columbia.

(2) Bonds, debentures or other obligations issued (i) under the authority of the Federal Farm Loan Act and acts amendatory thereof and supplementary thereto, or (ii) under authority of the Federal Farm Credit Act of 1933 and acts amendatory thereof and supplementary thereto, or (iii) under authority of the Federal Home Loan Bank Act and acts amendatory thereof and supplementary thereto, or (iv) under the authority of the *Agricultural Credits Act of 1933 and acts amendatory thereof and supplementary thereto*, or (v) by the Fed-

eral National Mortgage Association under Authority of Title III of the National Housing Act of 1934 and acts amendatory thereof and supplementary thereto, or (vi) under the authority of the Tennessee Valley Authority Act of 1933 and acts amendatory thereof and supplementary thereto.

(3) Bonds or other interest-bearing obligations [of the Commonwealth of Pennsylvania, or of any state of the United States, or those for the payment of the principal and interest on which the faith and credit of this Commonwealth, or of such state, is pledged, provided that it has not, at any time within the ten years immediately preceding the date of the purchase of such bonds or other obligations by the savings bank, defaulted in the payment of any part of any principal or interest due by it.

(4) Bonds or other interest-bearing obligations of any county, city, borough, township, school district, or other political subdivision of the Commonwealth of Pennsylvania, or of any city, borough, township, school district, or other political subdivision of any state of the United States, or those for the payment of the principal and interest on which the faith and credit of such political subdivision is pledged, provided that it has not, within the ten years immediately preceding the date of the purchase of such bonds or other obligations by the savings bank, defaulted in the payment of any part of any principal or interest due by it.

(5) Obligations issued, assumed, or guaranteed as to principal and interest by, or equipment bonds of, any railroad corporation, whether incorporated under the laws of this Commonwealth, of any other state, or of the Dominion of Canada, provided that such railroad corporation has not, at any time within the five years immediately preceding the date of the investment in such obligations or bonds by the savings bank, failed punctually to pay the matured principal and interest on all of its indebtedness.

(6) The bonds of any corporation, whether incorporated under the laws of the United States, of any other state, or of the District of Columbia, which transacts the business of supplying electrical energy, artificial gas, or natural gas purchased from another corporation and supplied in substitution for, or in mixture with, artificial gas, for light, heat, power, and other purposes, or which transacts any two or all of such businesses; but at least seventy-five per centum of the gross operating revenues of such corporation shall be derived from such business, and not more than fifteen per centum of the gross operating revenues shall be derived from any one kind of business other than supplying electricity and

gas, and such corporation shall be subject to regulation by a public service commission, a public utility commission, or any other similar regulatory body duly established by the laws of the United States, or of any state in which such corporation operates, subject to the following conditions:

(a) Such corporation shall have all the franchises necessary to operate in territory in which at least seventy-five per centum of its gross income is earned, which franchises shall either be indeterminate permits of or agreements with, or subject to the jurisdiction of, a public service commission or other duly constituted regulatory body, or shall extend at least five years beyond the maturity of such bond; and such corporation shall file with the department and make public in each year, a statement and a report giving the income account covering the previous fiscal year, and a balance sheet showing in reasonable detail the assets and liabilities at the end of the year.

(b) The outstanding full-paid capital stock of such corporation shall, at the time of such investment, be equal to at least two-thirds of the total debt secured by mortgage liens on any part or all of its property, but in the case of a corporation having non-par value shares, the amount of capital which such shares represent shall be the capital as shown by the books of the corporation.

(c) Such corporation shall have been in existence for a period of not less than eight fiscal years, and at no time, within such period of eight fiscal years immediately preceding the date of such investment, shall such corporation have failed to pay promptly and regularly the matured principal and interest of all its indebtedness, direct, assumed or guaranteed, but the period of life of the corporation, together with the period of life of any predecessor corporation or corporations from which a major portion of its property was acquired by consolidation, merger, or purchase, shall be considered together in determining such required period.

(d) For a period of five fiscal years immediately preceding such investment, the net earnings of such corporation shall have averaged per year not less than twice the average annual interest charges on its total funded debt applicable to that period, and for the last fiscal year preceding such investment, such net earnings shall have been not less than twice the interest charges for a full year on its total funded debt outstanding at the time of such investment, and for such period, the gross operating revenues of any such corporation shall have averaged per year not less than one million dollars, and such corporation shall have, for each such year, either earned an amount available for dividends, or paid an

amount in dividends, equal to four per centum upon a sum equivalent to two-thirds of its funded debt.

(e) In determining the qualifications of any bond under this clause, where a corporation shall have acquired its property, or any substantial part thereof, within the five years immediately preceding the date of such investment by consolidation or by merger, or by the purchase of all or a substantial portion of the property of any other corporation or corporations, the gross operating revenues, net earnings, and interest charges of the several predecessor or constituent corporations shall be consolidated and adjusted, so as to ascertain whether the requirements of the paragraph immediately preceding this one, as to net and gross earnings and as to dividends, have been complied with.

(f) The gross operating revenues and expenses of a corporation, for the purpose of this clause, shall be, respectively, the total amount earned from the operation of and the total expense of maintaining and operating all property owned and operated by, or leased and operated by, such corporation, as determined by the system of accounts prescribed by the public service commission, or public utility commission, or other similar regulatory body having jurisdiction in the matter. The gross operating revenues and expenses, as defined above, of subsidiary companies may be included, provided that all the mortgage bonds, and a controlling interest in shares of such subsidiary companies, are pledged as part of the security for the mortgage debt of the principal company.

The net earnings of any corporation, for the purpose of this clause, shall be the balance obtained by deducting from its gross operating revenues its operating and maintenance expenses, taxes, other than Federal and State income taxes, rentals, and provision for renewals and retirements of the physical assets of the corporation, and by adding to such balance its income from securities and miscellaneous sources, but not, however, exceeding fifteen per centum of such balance.

(g) Such bonds must be part of an issue of not less than one million dollars and must be mortgage bonds secured by a first or refunding mortgage secured by property owned and operated by the corporation issuing or assuming them, or must be underlying mortgage bonds secured by property owned and operated by the corporations issuing or assuming them, but such bonds shall be refunded by a junior mortgage providing for their retirement; the bonds under such junior mortgage shall comply with the requirements of this section, and such underlying mortgage shall be either a closed mortgage or shall remain open solely for the issue of addi-

tional bonds which are to be pledged under such junior mortgage. The aggregate principal amount of bonds secured by such first or refunding mortgage, plus the principal amount of all the underlying outstanding bonds, shall not exceed sixty per centum of the value of the physical property owned, as shown by the books of the corporation, and subject to the lien of such mortgage or mortgages securing the total mortgage debt. However, if such mortgage is a refunding mortgage, it must provide for the retirement on or before the date of their maturity of all bonds secured by prior liens on the property.

(h) The term funded debt shall be construed to mean all interest-bearing debts maturing more than one year from date *of issue.

(7) The bonds of any corporation, whether incorporated under the laws of the United States, of any other state, or of the District of Columbia, which engages and is authorized to engage in the business of furnishing telephone service in the United States, provided that such corporation is subject to regulation by the Interstate Commerce Commission, a public service commission, a public utility commission, or any other similar Federal or State regulatory body duly established by the laws of the United States or by the laws of any state in which such corporation operates, subject to the following conditions:

(a) Such corporations shall have been in existence for a period of not less than eight fiscal years, and at no time, within such period of eight fiscal years immediately preceding the date of such investment, shall such corporation have failed to pay promptly and regularly the matured principal and interest of all its indebtedness, direct, assumed, or guaranteed, but the period of life **of the corporation, together with the period of life of any predecessor corporation or corporations from which a major portion of its property was acquired by consolidation, merger, or purchase shall be considered together in determining the required period; and such corporation shall file with the department, and make public, in each year a statement and a report giving the income account covering the previous fiscal year, and a balance sheet showing in reasonable detail the assets and liabilities at the end of the year.

(b) The outstanding full-paid capital stock of such corporation shall at the time of such investment be equal to at least two-thirds of the total debt secured by mortgage liens on any part or all of its property.

* "if" in original.

** "of" not in original.

(c) For a period of five fiscal years immediately preceding such investment, the net earnings of such corporation shall have averaged per year not less than twice the average annual interest charges on its total funded debt applicable to that period, and for the last fiscal year preceding such investment, such net earnings shall have been not less than twice the interest charges for a full year on its total funded debt outstanding at the time of such investment, and, for such period, the gross operating revenues of any such corporation shall have *averaged per year not less than five million dollars, and such corporation shall have, for each such year, either earned an amount available for dividends, or paid an amount in dividends, equal to four per centum upon all its outstanding capital stock.

(d) Such bonds must be part of an issue of not less than five million dollars and must be secured by a first or refunding mortgage, and the aggregate principal amount of bonds secured thereby, plus the principal amount of all underlying outstanding bonds, shall not exceed sixty per centum of the value of the property, real and personal, owned absolutely and subject to the lien of such mortgage. However, if such mortgage is a refunding mortgage, it must provide for the retirement of all bonds secured by prior liens on the property. Not more than thirty-three and one-third per centum of the property, constituting the specific security for such bonds, may consist of shares or unsecured obligations of affiliated or other telephone companies, or both.

(e) In determining the qualifications of any bond under this clause, where a corporation shall have acquired its property, or any substantial part thereof, within five years immediately preceding the date of such investment by consolidation, by merger or, by the purchase of all or a substantial portion of the property of any other corporation or corporations, the gross operating revenues, net earnings, and interest charges of the several predecessor or constituent corporations shall be consolidated and adjusted, so as to ascertain whether the requirements of this clause, as to earnings and dividends, have been complied with.

(f) The gross operating revenues and expenses of a corporation, for the purpose of this clause, shall be, respectively, the total amount earned from the operation of and the total expense of maintaining and operating all property owned and operated by, or leased and operated by such corporation, as determined by the system of accounts prescribed by the Interstate Commerce Commission, or the public service commission, or the public

* "average" in original.

utility commission, or any other similar Federal or State regulatory body having jurisdiction in the matter.

(g) The net earnings of any corporation, for the purpose of this clause, shall be the balance obtained by deducting from its gross operating revenues its operating and maintenance expenses, provision for depreciation of the physical assets of the corporation, taxes, other than Federal and State income taxes, rentals and miscellaneous charges, and by adding to such balance its income from securities and miscellaneous sources, but not, however, to exceed fifteen per centum of such balance.

(h) The term funded debt shall be construed to mean all interest-bearing debts maturing more than one year from date of issue.] *not in default, issued by (i) the Commonwealth of Pennsylvania or of any state of the United States, or those for the payment of the principal and interest on which the faith and credit of this Commonwealth or of such state is pledged, (ii) any county, city, borough, township, school district, or other political subdivisions of the Commonwealth of Pennsylvania or of any city, borough, township, school district, or other political subdivision of any state of the United States, or those for the payment of the principal and interest on which the faith and credit of such political subdivision is pledged, (iii) any state or municipal authority duly authorized under the laws of the Commonwealth of Pennsylvania: Provided, That the purchase of such bonds or obligations shall be made in the exercise of that degree of judgment and care, under the circumstances then prevailing, which men of prudence, discretion and intelligence exercise in the management of their own affairs, not in regard to speculation, but in regard to the permanent disposition of their funds considering the probable income to be derived therefrom as well as the probable safety of their capital.*

(3.1) *Bonds, debentures or other funded interest-bearing obligations of any corporation whether incorporated under the laws of the United States, the Commonwealth of Pennsylvania, of any other state, or of the District of Columbia, subject to the condition that the purchase of such obligations shall be made in the exercise of that degree of judgment and care, under the circumstances then prevailing, which men of prudence, discretion and intelligence exercise in the management of their own affairs, not in regard to speculation, but in regard to the permanent disposition of their funds considering the probable income to be derived therefrom as well as the probable safety of their capital.*

(8) (a) Bonds or notes secured by mortgages or deeds of trust which are first liens upon 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, 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 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 interest 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.

(b) Bonds or notes secured by mortgages or deeds of trust, which are insured by, or for which a written commitment to insure has been made by, the Federal Housing Administrator pursuant to the provisions of the National Housing Act, approved the twenty-seventh day of June, one thousand nine hundred and thirty-four, its amendments and supplements.

(c) Bonds or notes secured by mortgages or deeds of trust of dwellings for not more than four families, and improved farm land guaranteed 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, however, That each such loan is guaranteed in an amount equal to at least twenty per centum thereof.

(d) Bonds or notes secured by mortgages or deeds of trust of business property guaranteed in whole or in part, 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, however, That the nonguaranteed portion of each such business loan does not exceed two-thirds of the value of such business property.

(e) Secondary bonds or notes secured by mortgages or deeds of trust guaranteed in full, or for which a written commitment to so guarantee has been made in accordance with section five hundred and five of the "Servicemen's Readjustment Act of 1944," its amendments and supplements, and rules and regulations promulgated from time to time pursuant to said act; and

(f) Bonds or notes secured by mortgages or deeds of trust of real property insured or for which a written commitment to insure has been made in accordance with the provisions of Title One of the "Bankhead-Jones Farm Tenant Act," of the twenty-second day of July, one thousand nine hundred and thirty-seven, its amendments and supplements, and rules and regulations promulgated from time to time pursuant to the provisions of said act.

(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.

B. Any building which is upon, and is included in the valuation of, such real property shall be insured against loss by fire, for the benefit of the savings bank, by the borrower during the term of the bond or note, in a company which is authorized to do business where such real property is situated and is approved by the

savings bank making the investment. It shall be lawful for a savings bank to renew such policies, at the expense of such borrower, from year to year, or for a longer or shorter period, not, however, exceeding the term of the bond or note, in case the borrower shall fail to do so. All necessary charges and expenses paid by such savings bank for such renewals shall be paid by such borrower. In the event that the borrower shall refuse, upon demand, to pay such charges and expenses, they shall be added to the amount secured by the mortgage or deed of trust, and shall, together with interest from the date of payment of such charges and expenses by such savings bank, constitute a lien upon the property so encumbered. 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 borrower. In case of bonds or notes authorized for purchase or investment in sub-paragraph (8a), the actual value of the real property shall be the average written appraisals thereof, made after inspection of the property by two reputable persons approved by the board of trustees of the savings bank and familiar with real property values in the vicinity of the property appraised, which appraisals shall be filed among the records of the savings bank.

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, *shares of a Federal Home Loan 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, in the shares of any corporation owning reasonable parking facilities

for the use of its trustees, officers, employes and customers, or in the shares of any corporation organized solely for the purpose of providing data processing facilities for the savings bank, or for the savings bank and one or more other institutions, corporations, associations, partnerships or individuals, subject to the limitations of this act.

(3) Preferred stock, guaranteed stock and common stock of any other corporation organized under the laws of the United States or of any Commonwealth or State thereof, or of the District of Columbia, subject to the following conditions:

(a) Such purchase shall be made in the exercise of that degree of judgment and care under the circumstances then prevailing which men of prudence, discretion and intelligence exercise in the management of their own affairs, not in regard to speculation but in regard to the permanent disposition of their funds, considering the probable income to be derived therefrom as well as the probable safety of their capital.

[(b) In the case of preferred stock, the corporation issuing the stock shall have earned a net profit in eight of the ten fiscal years next preceding the date of investment, as reflected in its statements, and during each of such ten years shall have paid dividends in the specified amounts upon all its preferred stock, if any, outstanding during such year.

(c) In the case of guaranteed stock, the guaranteeing corporation shall have earned a net profit in eight of the ten fiscal years next preceding the date of investment, as reflected in its statements, and during each of such ten years shall have paid dividends in the specified amounts upon all its preferred stock, if any, and fulfilled all of its obligations in respect to dividends on all stock directly or indirectly guaranteed by it, if any, outstanding during such year.

(d) In the case of common stock, the corporation issuing the stock shall have earned a net profit in twelve of the sixteen fiscal years next preceding the date of investment, as reflected in its statements, and during each of such sixteen years shall have paid dividends in the specified amounts upon all its preferred stock, if any, outstanding during such year, and in each of at least twelve of such preceding sixteen fiscal years shall have paid dividends in some amount upon all its common stock, if any, outstanding during such year.

(e) In the case of any stock other than guaranteed stock and stock of a bank or insurance company, the stock shall be listed or traded (or if unlisted or not entitled to trading privileges, shall be eligible for list-

ing and application for such listing shall have been made) on the New York Stock Exchange or any other exchange approved by the Secretary of Banking.]

(f) No investment in preferred, guaranteed or common stock shall be made by a savings bank if the cost of its holdings of all such stock *held solely by the authority of this clause (3)* exceeds or by the making of such investment will exceed an amount equal to five per centum of the book value of its assets or an amount equal to fifty per centum of its unimpaired surplus, unallocated reserves and undivided profits, whichever amount is less.

(g) No investment authorized by this clause (3) in the preferred, guaranteed or common stock of any corporation shall be made by a savings bank if its holdings of the stock of such corporation exceed or by the making of such investment will exceed either (i) at cost, one-fifth of one per centum of the book value of the assets of the savings bank, or (ii) in number of shares, five per centum of the total issued and outstanding shares of the stock of such corporation.

(h) No sale or liquidation of any investment shall be required solely because of any event subsequent to the investment as a result of which the requirements of this clause (3) are no longer fulfilled.

[(i) When a corporation has acquired a substantial part of its property within sixteen years immediately preceding the investment by a savings bank, as herein provided, by consolidation or merger or by the purchase of a substantial part of the property of any other corporation or corporations, the earnings of the predecessor or constituent corporations shall be consolidated so as to ascertain whether the net profit requirements of this clause (3) have been satisfied and the dividend requirements of this clause (3) shall be satisfied by payment of the required dividends by any predecessor or constituent corporation.]

(j) "Corporation," as used in this clause (3), shall include a voluntary association, a joint-stock association or company, a business trust, a Massachusetts trust, a common-law trust and any other organization existing for any lawful purpose and which, like a corporation, continues to exist notwithstanding changes in the personnel of its members or participants and conducts its affairs through a committee, a board or some other group acting in a representative capacity.

(4) Shares of State or regional business development credit corporations formed under the laws of this Commonwealth.

(5) Bonds and notes of the Pennsylvania Housing Agency created by the "Housing Agency Law."

[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.]

Act effective immediately.

Section 3. This act shall take effect immediately.

APPROVED—The 14th day of August, A. D. 1963.

WILLIAM W. SCRANTON

No. 424

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," to permit savings banks to act as managing agents to receive funds or other property and to invest, reinvest and manage all or part of such funds or other property in a collective investment fund.

Banking Code.

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

Section 1202, act of May 15, 1933, P. L. 624, amended by adding a new clause (18).

Section 1. Section 1202, act of May 15, 1933 (P. L. 624), known as the "Banking Code," is amended by adding, at the end thereof, 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:

* "or" in original.