

(b) General Repeal. All other acts and parts of acts inconsistent herewith are hereby repealed.

(c) Saving Clause. This act shall not repeal or modify the act, approved the twenty-fifth day of June, one thousand nine hundred forty-seven (Pamphlet Laws 933), entitled "An Act prescribing the fees to be received by registers of wills in counties of the fifth, sixth, seventh and eighth class."

APPROVED—The 28th day of June, A. D. 1951.

JOHN S. FINE

No. 160

AN ACT

To further amend paragraph (8) of subsection A and subsection B of section 1208, section 1209, and subsection C of section 1210 of the act, approved the fifteenth day of May, 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," by further providing for authorized investments and limitations on loans and discounts of savings banks.

"Banking Code."

Paragraph (8) of subsection A of section 1208, act of May 15, 1933, P. L. 624, as last amended by act of June 21, 1947, P. L. 782, further amended.

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

Section 1. Paragraph (8) of subsection A of section 1208 of the act, approved the fifteenth day of May, 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," as last amended by the act, approved the twenty-first day of June, one thousand nine hundred forty-seven (Pamphlet Laws 782), *is hereby further amended to read as follows:

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 the Commonwealth, or within fifty miles of the boundary thereof, 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 [such twenty year] 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 [and bonds].*

(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 [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.

* "are" in original.

(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 non-guaranteed 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.

B. Any building which is upon, and is included in the valuation of, such real property shall be insured against loss by fire, [to] for the benefit of the savings bank, by the [mortgagor] borrower during the term of the bond or note, in a company which is authorized to do business [in Pennsylvania] 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 [mortgagor] 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 [mortgagor] borrower shall fail to do so. All necessary charges and expenses paid by such savings bank for such renewals shall be paid by such [mortgagor] borrower. In the event that the [mortgagor] borrower shall refuse, upon demand, to pay such charges

* "provision" in original.

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 [mortgaged] *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 [mortgagor] *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 trustees. 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 savings bank.] *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.*

Section 2. Subsection B of section 1208 of said act, as last amended by the act, approved the twenty-second day of May, one thousand nine hundred thirty-seven (Pamphlet Laws 349), is hereby further amended to read as follows:

Subsection B of section 1208, said act, as last amended by act of May 22, 1937, P. L. 349, further amended.

[B] *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 a Federal Reserve Bank] *except shares of a Federal Reserve Bank and the shares of any corporation organized under the laws of this Commonwealth for the purpose of conducting a safe deposit business, and to the extent of not in excess of ten per centum of the surplus and unallocated reserve of the savings bank, not more than ten per centum of the authorized capital stock of any national banking association located within this Commonwealth, or of any bank, bank and trust company, or trust company incorporated under the laws of this Commonwealth.*

Section 3. Section 1209 of said act, as last amended by the act, approved the twenty-first day of June, one thousand nine hundred forty-seven (Pamphlet Laws 782), is hereby further amended to read as follows:

Section 1209, said act, as last amended by act of June 21, 1947, P. L. 782, 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 a Federal Reserve Bank] *except shares of a Federal Reserve Bank and the shares of any corporation organized under the laws of this Commonwealth for the purpose of conducting a safe deposit business, and to the extent of not in excess of ten per centum of the surplus and unallocated reserve of the savings bank, not more than ten per centum of the authorized capital stock of any national banking association located within this Commonwealth, or of any bank, bank and trust company, or trust company incorporated under the laws of this Commonwealth. No such savings bank shall [or] purchase or invest in bonds or notes secured by mortgages or deeds of trust [upon] of real property, except [bonds]*

(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 the Commonwealth, or within fifty miles of the boundary thereof, 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 [such twenty year] 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 [and bonds].*

(2) *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 [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.*

(3) *Bonds or notes secured by mortgages or deeds of trust of dwellings for not more than four families, and improved farmland 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.

(4) 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 non-guaranteed portion of each such business loan does not exceed two-thirds of the value of such business property.

(5) 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 the provisions of 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,

(6) 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.

B. Any building which is upon, and is included in the valuation of, such real property shall be insured against loss by fire, [to] for the benefit of the savings bank, by the [mortgagor] borrower during the term of the bond or note, in a company which is authorized to do business [in Pennsylvania] where such real property is situated and is approved by the savings bank making the purchase or investment. It shall be lawful for *a savings bank to renew such policies, at the expense of such [mortgagor] 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 [mortgagor] borrower shall fail to do so. [B] All necessary charges and expenses paid by such savings bank for such renewals shall be paid by such [mortgagor] borrower. In the event that the [mortgagor] borrower shall refuse, upon demand, to pay such charges and expenses, they shall be added to

* "the" in original.

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 [mortgaged] *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 [mortgagor] *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 trustees. 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 savings bank.] *In the case of bonds or notes authorized for purchase or investment in subsection A (1) of this section, the actual value of the real property shall be the average of 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.* The restrictions contained in this section, with reference to real estate bonds and notes, shall not apply to public utility, railroad, or industrial bonds, or other securities commonly known as investment securities, although such [bonds] obligations may be secured, in whole or in part, by a [mortgage] *lien* upon real property.

Subsection C of section 1210, said act, as last amended by act of June 21, 1947, P. L. 782, and by act of June 28, 1947, P. L. 1104, further amended.

Section 4. Subsection C of section 1210 of said act, as last amended by the act, approved the twenty-first day of June, one thousand nine hundred and forty-seven (Pamphlet Laws 782), and by the act, approved the twenty-eighth day of June, one thousand nine hundred and forty-seven (Pamphlet Laws 1104), is hereby further amended to read as follows:

Section 1210. Limitation upon Loans and Discounts.—

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C. [The limitations imposed by this section shall not apply to loans on the security of bonds secured by mortgages upon a dwelling for not more than four families, and improved farm land situated within the Commonwealth, or within fifty miles of the 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 each such loan is guaranteed in an amount equal to at least twenty per centum thereof, subject to the lien and loans on the security of bonds secured by mortgages upon business property situated within the Commonwealth, or within fifty miles of the boundary thereof, if such loans are guaranteed in whole *or in part, or if there is a written commitment to so guarantee 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 the non-guaranteed portion of each such business loan does not exceed two-thirds of the value of such business property, nor shall any limitations imposed by this section apply to secondary loans fully guaranteed in accordance with the provisions of section five hundred 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.] *The limitations imposed by this section shall not apply to investments authorized under sections 1208 and 1209 of this act.*

Section 5. The provisions of this act shall become effective immediately upon final enactment.

Act effective
immediately.

APPROVED—The 28th day of June, A. D. 1951.

JOHN S. FINE

No. 161

AN ACT

To further amend subsection A of section 1006 of the act, approved the fifteenth day of May, 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," by further providing for the powers and limitations upon powers of banks and bank and trust companies.

* "of" in original.