

the provisions of this act, excepting in such manner as is expressly authorized by this act, and excepting when the production of such information in a proceeding in any court is duly required by subpoena issued by special order of the court, or other legal process; and any violation of the provisions of this section shall be a misdemeanor, upon conviction whereof the person so offending shall be sentenced to pay a fine not exceeding one thousand dollars, and shall be dismissed from his employment in said department: Provided, however, That the secretary, on the written request or consent of any corporation, authorized by resolution of its board of directors, or on written request or consent of any person, under the supervision of the department, may discuss, with an advisory committee selected by the secretary, or selected by such corporation or person and acceptable to the secretary, such matters relating to the financial conditions of such corporation or person as the secretary may deem pertinent to the rehabilitation thereof: And provided further, That the secretary may, on like request or consent, furnish to the Federal Reserve Board, or to the Federal Reserve Bank of the district in which the banking house or other place of business or any corporation is located, copies of any reports or parts thereof, or any information in his possession, relating to such corporation for the use of said board or bank: *And provided further, That the Secretary of Banking may, with the approval of the Governor, cause to be published annually in bulletin form a summary of the state and condition of building and loan associations from which reports were received during the preceding year with such information in relation to said associations as in his judgment may be useful.*

Proviso.

Proviso.

Publication of statement of condition.

APPROVED—The 8th day of April, A. D. 1927.

JOHN S. FISHER

No. 150

• AN ACT

To amend section one of an act approved the fourteenth day of May, one thousand nine hundred and thirteen (Pamphlet Laws, two hundred and five), entitled "An act enlarging the powers of mutual savings fund or building and loan associations; authorizing them to accumulate a reserve fund to pay contingent losses, and validating such funds heretofore accumulated; to permit members to secure the repayment of one-half of their loans by a straight bond and mortgage, for a fixed term, and authorizing said associations to so secure loans; authorizing said associations to make loans in certain cases upon a stipulated premium; and further authorizing them to loan money to other like associations under certain conditions; and repealing all laws inconsistent with this act", permitting building and loan associations to have contingent funds not in excess of fifteen per centum of their assets.

Section 1. Be it enacted, &c., That section one of an act, approved the fourteenth day of May, one thou-

Building and loan associations.

Section 1 of act  
of May 14, 1913  
(P. L. 205),  
amended.

sand nine hundred and thirteen (Pamphlet Laws, two hundred and five), entitled "An act enlarging the powers of mutual savings fund or building and loan associations; authorizing them to accumulate a reserve fund to pay contingent losses, and validating such funds heretofore accumulated; to permit members to secure the repayment of one-half of their loans by a straight bond and mortgage, for a fixed term, and authorizing said associations to so secure loans; authorizing said associations to make loans in certain cases upon a stipulated premium; and further authorizing them to loan money to other like associations under certain conditions; and repealing all laws inconsistent with this act," is hereby amended to read as follows:

Section 1. Be it enacted, &c., That it shall be lawful for any mutual savings fund or building and loan association, now incorporated or hereafter to be incorporated:

Reserve fund for  
contingent losses.

(a) To set aside from the net profits a sum, not to exceed *fifteen* [five] per centum thereof each year, as a reserve fund for the payment of contingent losses, until the total amount of such fund so set aside shall equal *fifteen* [five] per centum of the assets of such association: Provided, That no association shall reduce the dividend or interest payable on voluntary withdrawal, as fixed by the board of directors or its by-laws for that purpose, and all such funds heretofore accumulated by any such association from its profits, not in excess of *fifteen* [five] per centum of the assets, are hereby confirmed and made valid: Provided, however, That if at any time the assets of the association shall become reduced in amount, and the contingent fund should thereby exceed *fifteen* [five] per centum of the remaining assets of the association, then, at the next dividend period, the amount in excess of *fifteen* [five] per centum in said contingent fund shall be transferred to the general profit account of such association.

Proviso.

Proviso.

Bond and mort-  
gage.

(b) To permit members, when loans are granted, to secure the repayment thereof, if so desired, by giving to the association a straight bond and mortgage on real estate, for a fixed period, for an amount not to exceed one-half of the loan, and upon such other terms and conditions as may be agreed upon; and for the remainder of the loan, which shall be on shares of the association and instalment bond and mortgage on real estate, in form as now provided by law: Provided, That it shall not be lawful to collect premiums or fines on such straight bond and mortgage.

Proviso.

Priority of loans.

(c) To provide in its by-laws that the loans shall be made first to the members of the association, or to persons *intending to become members of the association*, or to persons intending to become members if the loan be secured, who shall bid the highest premiums

Premiums.