

Subsection A, section 1506 of act, amended January 2, 1934, (1933-1934, P. L. 128) further amended.

Section 4. Subsection A of section 1506 of the act, amended January 2, 1934 (1933-1934, P. L. 128), is amended to read:

Section 1506. Prohibition upon Corporations Acting as Fiduciary; Penalty.—A. The only corporations organized under the laws of this Commonwealth which shall have authority to act in this Commonwealth as trustees, guardians, executors, administrators, or in any similar fiduciary capacity, shall be bank and trust companies, [and] trust companies *and, to the extent authorized by this act, savings banks.*

* * * * *

Act effective immediately.

Section 5. This act shall take effect immediately.

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

WILLIAM W. SCRANTON

No. 425

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 special charter savings banks.

Banking Code.

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

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

Clause (1), subsection A, section 1209 of act, amended May 29, 1956, P. L. 1816, 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

(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;

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Section 3. Subclause (f) of clause (3) of subsection A of section 1209 of the act, amended July 13, 1953 (P. L. 413), is amended to *read:

Subclause (f), clause (3), subsection A, section 1209 of act, amended July 13, 1953, P. L. 413, 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

* "raed" in original.

* * * * *

(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:

* * * * *

(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.

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Subclauses (b), (c), (d), (e) and (i), clause (3), subsection A, section 1209 of act, repealed.

Section 4. Subclauses (b), (c), (d), (e) and (i) of clause (3) of subsection A of section 1209 of the act are repealed.

Act effective immediately.

Section 5. This act shall take effect immediately.

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

WILLIAM W. SCRANTON

No. 426

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 trustee of certain trusts qualified under the Federal Self-Employed Individuals Tax Retirement Act of 1962.