

short form mortgages; defining the effect and construction to be given thereto," changing provisions relating to liens of purchase money mortgages.

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

Section 1. Section 3, act of June 2, 1959 (P. L. 452), entitled "An act providing for the recording of specified forms of stipulations of general mortgage provisions and of short form mortgages; defining the effect and construction to be given thereto," is amended to read:

Section 3. A short form mortgage shall be a lien against the real property described therein as of the date and time it is recorded, except that if the mortgage is a purchase money mortgage under the definition set forth in the act of June 28, 1951 (P. L. 927), known as the "Lien Priority Law," it shall be a lien from the time it is delivered to the mortgagee if it is recorded within [thirty] ten days after [delivery to the mortgagee shall be a lien from the date of delivery] its date. When a short form mortgage incorporating by reference the provisions of a stipulation of general mortgage provisions is recorded, it shall have the same effect as any other mortgage instrument and the two recorded instruments together shall be construed to constitute one mortgage. The recording of a short form mortgage which incorporates by reference the provisions, covenants, conditions and obligations, set forth in a recorded stipulation of general mortgage provisions, shall operate as constructive notice of the whole thereof, the same as if the provisions incorporated by reference were set forth in full in the short form mortgage.

Section 2. This act shall take effect immediately and shall apply to all mortgages hereafter executed and recorded.

APPROVED—The 18th day of January, A. D. 1968

RAYMOND P. SHAFER

No. 424

AN ACT

HB 635

Amending the act of August 7, 1963 (P. L. 549), entitled "An act creating the Pennsylvania Higher Education Assistance Agency; defining its powers and duties; conferring powers and imposing duties on the Governor, President Pro Tempore of the Senate, Speaker of the House of Representatives, Superintendent of Public Instruction and the Department of Banking; and making appropriations," further providing for

composition of the Board of Directors, eliminating the power of the agency to make loans, clarifying the power of the agency to guarantee loans, providing for the use of earnings of the agency and for appropriations for carrying out the act, making the agency subject to certain administrative code provisions for administrative purposes and making loans guaranteed by the agency legal investments in certain cases and clarifying the relationship of the Department of Banking to the agency.

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

Section 1. Section 2, act of August 7, 1963 (P. L. 549), entitled "An act creating the Pennsylvania Higher Education Assistance Agency; defining its powers and duties; conferring powers and imposing duties on the Governor, President Pro Tempore of the Senate, Speaker of the House of Representatives, Superintendent of Public Instruction and the Department of Banking; and making appropriations," amended May 12, 1966 (Third Special Session, Act No. 2), is amended to read:

Section 2. Purpose.—The purpose of such agency shall be to improve the higher educational opportunities of persons who are residents of this State and who are attending approved institutions of higher education, in this State or elsewhere, by [lending funds] guaranteeing loans made to such persons to assist them in meeting their expenses of higher education in accordance with the provisions of this act.

Section 2. Subsection (a) of section 3 of the act, amended May 11, 1965 (P. L. 53), is amended to read:

Section 3. Governing Bodies.—(a) Such agency shall be governed and all of its corporate powers exercised by a board of directors which shall consist of [~~ten members, nine~~] twenty members, nineteen of whom shall be appointed as hereinafter provided, and the Superintendent of Public Instruction. Three members shall be appointed by the Governor, [~~three~~] eight shall be appointed by the President Pro Tempore of the Senate, and [~~three~~] eight shall be appointed by the Speaker of the House of Representatives. All members shall be of full age, citizens of the United States and residents of the State, and shall be appointed for terms of six years each, except that of the members first appointed by the Governor, one shall be appointed for a term which shall expire on June 30, 1965, one for a term which shall expire on June 30, 1967, and one for a term which shall expire on June 30, 1969, and of the members first appointed by the President Pro Tempore of the Senate, one shall be appointed for a term which shall expire on June 30, 1965, one for a term which shall expire on June 30, 1967, and one for a term which shall expire on June 30, 1969, and of the members first appointed by the Speaker of the House of Representatives, one shall be appointed for a term which shall expire on June 30, 1965, one for a term which shall expire on June 30, 1967,

and one for a term which shall expire on June 30, 1969; and of the five additional members to be appointed by the President Pro Tempore of the Senate under this amendment, one shall be appointed for a term which shall expire on June 30, 1969, two for a term which shall expire on June 30, 1971, one for a term which shall expire on June 30, 1973 and one for a term which shall expire on June 30, 1975, and of the five additional members to be appointed by the Speaker of the House of Representatives under this amendment, one shall be appointed for a term which shall expire on June 30, 1969, two for a term which shall expire on June 30, 1971, one for a term which shall expire on June 30, 1973 and one for a term which shall expire on June 30, 1975. The eight members appointed by the President Pro Tempore of the Senate shall be members of the Senate, four of whom shall be of the majority party and four of the minority party, and the eight members appointed by the Speaker of the House of Representatives shall be members of the House of Representatives, four of whom shall be of the majority party and four of the minority party, and any member of the Senate or House of Representatives hereafter appointed shall serve on the board only so long as he is a member of the particular body of the General Assembly from which he was appointed to the board, in which event he shall be ineligible to continue as a member of the board as a legislative appointee and a vacancy shall exist. In such a case the President Pro Tempore of the Senate or the Speaker of the House of Representatives shall fill the vacancy for the unexpired term in the same manner as original appointments. A member of the board of directors who becomes ineligible to serve as a legislative appointee shall be eligible for appointment by the Governor. The board of directors shall elect from its own members each year a chairman and vice chairman who shall serve for terms of one year and who shall be eligible for reelection for successive terms. Vacancies shall be filled for the unexpired terms in the same manner as original appointments. Directors shall receive no compensation for their services, but shall be reimbursed for their

expenses actually and necessarily incurred by them in the performance of their duties under this act.

* * *

Section 3. Clause (1) of section 4 of the act, amended May 12, 1966 (Third Special Session, Act No. 2), is amended to read:

Section 4. Powers and Duties.—In furtherance of the purposes set forth in this act, the board of directors shall have the following powers:

(1) To [lend] guarantee loans of money upon such terms and conditions as the board may prescribe within the limitations contained herein, and at a uniform rate of interest to be determined by the agency, to persons who are residents of this State and who plan to attend or are attending any approved institution of higher education eligible under this act in this State or elsewhere to assist them in meeting their expenses of higher education. No such person shall receive any loan [or loans] guarantee in excess of one thousand dollars (\$1000) for any academic year and no such person shall receive a total loan guarantee of more than seventy-five hundred dollars (\$7500). Such [loans] loan guarantees shall become due and payable at the direction of the board of directors and the board of directors may extend the repayment period not to exceed fifteen years from the date of execution of the note or other written evidence of the loan.

* * *

Section 4. Clauses (2) and (3) of section 4 of the act, amended May 11, 1965 (P. L. 53), are amended to read:

Section 4. Powers and Duties.—In furtherance of the purposes set forth in this act, the board of directors shall have the following powers:

* * *

(2) To provide for monthly payments during this extended period. [And to guarantee the loans of money upon such terms and conditions as the board may prescribe to persons who are residents of the State and who plan to attend or are attending approved institutions of higher education in this State or elsewhere, to assist them in meeting their expenses of higher education: Provided, however, That no loan to such a person shall be guaranteed to an amount in excess of one thousand dollars (\$1000) for any academic year and that the total loan to such person shall not be guaranteed in an amount of more than seventy-five hundred dollars (\$7500).]

(3) To take, hold and administer on behalf of the agency and for any of its purposes, real property, personal property and moneys or any interest therein and the income therefrom either absolutely or in trust. The board may acquire property or moneys for such purpose

by purchase or lease and by the acceptance of gifts, grants, bequests, devises or loans, but no obligation of the agency shall be a debt of the State and it shall have no power to pledge the credit or taxing power of the State nor to make its debts payable out of any moneys except those of the corporation. All accrued and future earnings from funds invested by the board of directors are hereby appropriated to the agency [for the] to guarantee the loans of moneys as provided in this act. The payment of expenses in carrying out the provisions of this act shall be solely from funds appropriated by the General Assembly for that purpose or augmented by such other funds as shall become available from time to time from the Federal government or contributions for the same purpose. For the purpose of administration, the agency shall be subject to the following provisions of "The Administrative Code of 1929:" sections 601, 602, 603 and 604.

* * *

Section 5. Clauses (4) and (6) of section 4 and section 5 of the act are amended to read:

Section 4. Powers and Duties.—In furtherance of the purposes set forth in this act, the board of directors shall have the following powers:

* * *

(4) To enter into contracts with approved institutions of higher education upon such terms as may be agreed upon between the board and any such institution, to provide for the administration by such institutions of any [loan or] guarantee of a loan made by the agency including applications therefor and repayment thereof.

* * *

(6) To adopt rules and regulations not inconsistent with law governing [the application for and the granting, administration and repayment of loans made by the agency and governing any other] matters relating to its activities.

* * *

Section 5. Capacity of Minors.—Any person otherwise [qualifying for a loan from the agency, or] qualifying for a loan guaranteed by the agency, shall not be disqualified by reason of his being under the age of twenty-one years and, for the purpose of applying for, and receiving [and repaying such loan,] such guarantee, any such person shall be deemed to have full legal capacity to act and shall have all the rights, powers, privileges and obligations of a person of full age with respect thereto.

Section 6. The act is amended by adding after section 7, a new section to read:

Section 7.1. Banks, etc., Authorized to Invest in Loans.—All banks, bank and trust companies, trust companies, savings banks, private banks, building and loan associations, credit unions and saving and loan associations organized under the laws of this Commonwealth and all national banks and insurance companies may invest in loans guaranteed by the agency and made for the payment of expenses incurred or to be incurred in acquiring an education at a post-secondary institution of higher learning.

Section 7. Section 8 of the act, amended December 7, 1965 (P. L. 1047), is amended to read:

Section 8. [Supervision] Examination and Reports.—The activities of the Pennsylvania Higher Education Assistance Agency under this act shall be subject to the [supervision and] examination of the Department of Banking, but the agency shall not be deemed to be a banking organization nor require to pay a fee for any such [supervision or] examination. It shall make an annual report to the Governor, the Legislature and the Department of Banking showing its condition at the end of the Commonwealth's fiscal year.

Section 8. This act shall take effect immediately.

APPROVED—The 18th day of January, A. D. 1968.

RAYMOND P. SHAFER

No. 425

AN ACT

HB 1372

Amending the act of April 29, 1959 (P. L. 58), entitled "An act consolidating and revising the Vehicle Code, the Tractor Code, the Motor Vehicle Financial Responsibility Act and other acts relating to the ownership, possession and use of vehicles and tractors," redefining transporter under the definition of "Miscellaneous Motor Vehicle Business" to include persons transporting new and used trailers on their own wheels and further providing for limitations on use of such registration plates.

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

Section 1. Clause (4) of the definition of "Miscellaneous Motor Vehicle Business" in section 102, and the fourth paragraph of section