

# HOUSE . . . . No. 10

---

---

Accompanying the third recommendation of the Commissioner of Banks (House, No. 7). Banks and Banking.

---

---

## The Commonwealth of Massachusetts

In the Year One Thousand Nine Hundred and Fifty-Two.

### AN ACT TO AMEND THE CLASSES OF SHARES AND ACCOUNTS IN CO-OPERATIVE BANKS.

*Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:*

1 SECTION 1. Subsection 4 of section 13 of chapter  
2 170 of the General Laws, as most recently amended  
3 by chapter 371 of the acts of 1950, is hereby further  
4 amended by striking out said subsection and inserting  
5 in place thereof the following new subsection: —

6 4. *Military Share Accounts.*— For the accommo-  
7 dation of any owner of serial shares not pledged for  
8 a real estate loan who is actually engaged in the  
9 military or naval service of the United States, or who  
10 is the wife or a dependent member of the family of a  
11 person so engaged, the directors, at the request of  
12 such shareholder, may cause such shares to be can-  
13 celled, whereupon there shall be transferred to a mili-  
14 tary share account as a credit of such shareholder the  
15 full value of such shares, less all monthly installments  
16 of interest and fines in arrears and less the amount of

17 the unpaid balance of any share loan at that time  
18 secured by the shares so cancelled. So long as such  
19 credit remains in such military share account, no fur-  
20 ther monthly payments of any amount on account of  
21 such shares shall be required, nor shall any fines be  
22 imposed, but payments and withdrawals may be made  
23 on any such account at the option of the shareholder.  
24 At each regular distribution date there shall be credited  
25 to every such account a dividend at the rate declared  
26 upon serial shares, computed without regard to frac-  
27 tions of a dollar; provided, that amounts withdrawn  
28 between distribution dates shall not participate in the  
29 next distribution, but amounts deposited shall par-  
30 ticipate in profits from and after the bank day next  
31 following the deposit. Deferment of payments as  
32 aforesaid shall extend for the duration of such military  
33 or naval service and six months thereafter, and at the  
34 termination of such period of deferment the share-  
35 holder shall be required by the directors to reinvest  
36 such portion of the accumulation as he may elect in  
37 serial shares and withdraw that portion not so rein-  
38 vested. Upon failure of the shareholder to do so, the  
39 accumulated balance shall be transferred into paid-up  
40 shares or into a savings share account, or both.

1 SECTION 2. Section 13 of chapter 170 of the Gen-  
2 eral Laws as most recently amended by chapter 371  
3 of the acts of 1950 is hereby further amended by add-  
4 ing at the end thereof the following new section: —

5 5. *Other Accounts.* — Accounts representing the de-  
6 posit of money to the credit of the holders thereof  
7 may be maintained pursuant to the following pro-  
8 visions: —

9 (a) Dividend Savings Accounts: Any dividends to  
10 which any holder of paid-up shares may become en-  
11 titled, may be held by the corporation in a savings  
12 share account or in a dividend savings account. Such  
13 dividend savings accounts shall be subject to with-  
14 draws therefrom by the holder from time to time,  
15 and shall bear interest, which shall be credited thereto,  
16 on such rate basis as the directors from time to time  
17 may determine, but not exceeding the dividend rate  
18 payable upon serial shares; provided, that no deposits  
19 shall be made or received in such accounts except  
20 from the proceeds of dividends as aforesaid.

21 (b) Club Accounts: Club accounts, so called, shall  
22 be subject to section sixteen of chapter one hundred  
23 and sixty-seven.

24 (c) School Savings Accounts: Such corporation,  
25 with the written consent of and under regulations ap-  
26 proved by the commissioner and, in the case of public  
27 schools, by the commissioner and the school committee  
28 of the town wherein the school is situated, may ar-  
29 range for the collection of payments on shares or other  
30 accounts referred to in this section from school chil-  
31 dren by collectors or by the principal or teachers of  
32 such schools.

33 (d) For all the purposes of chapter forty-five of the  
34 acts of nineteen hundred and thirty-two, as amended,  
35 and of chapter seventy-three of the acts of nineteen  
36 hundred and thirty-four, as amended, the holders of  
37 any savings share accounts, club accounts, school sav-  
38 ings accounts and dividend savings accounts shall be  
39 deemed to be and treated as shareholders; all such  
40 accounts shall be deemed to be and treated as shares;  
41 and the liability of the corporation upon any and all

42 such accounts shall be deemed to be and treated as  
43 share liabilities. In the event of dissolution or  
44 winding-up of any such corporation by process of law  
45 or otherwise, any holder of any such account shall not  
46 thereby be entitled to any preference over any share-  
47 holder, but such account shall be held and treated in  
48 the general class of liability as serial shares.