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By Mr. Durkin of Salem, petition of Charles P. Howard (Commissioner of Banks) relative to the conversion of co-operative banks into federal savings and loan associations. Banks and Banking.

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**The Commonwealth of Massachusetts**

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

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AN ACT RELATIVE TO THE CONVERSION OF CO-OPERATIVE BANKS INTO FEDERAL SAVINGS AND LOAN ASSOCIATIONS.

1 *Whereas*, The deferred operation of this act would  
2 tend to defeat its purpose which is to further preserve  
3 and strengthen the dual banking system, therefore it  
4 is hereby declared to be an emergency law.

*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 49 of chapter 170 of the General Laws, as  
2 inserted by section 1 of chapter 371 of the acts of 1950,  
3 is hereby amended by striking out the first paragraph  
4 and inserting in place thereof the following paragraph: —  
5 Any such corporation may convert itself into a federal  
6 savings and loan association or other federal agency of  
7 like nature, subject to the following conditions: — (1)  
8 Such corporation shall give notice to the board of bank  
9 incorporation of its intention to so convert and shall  
10 apply to said board for its approval of such conversion,  
11 and if the board determines that public convenience  
12 and advantage will be promoted by such conversion,  
13 the board may grant such approval which shall be  
14 deemed revoked if such corporation does not consum-  
15 mate such conversion within six months after the date  
16 of such approval. Upon receipt of such application,

17 said board shall furnish such corporation a form of  
18 notice specifying the name and location of such corpo-  
19 ration and its proposed name after conversion, and  
20 assigning a date and place for a public hearing on the  
21 application. Such corporation shall publish the notice  
22 at least once a week for three successive weeks, in one  
23 or more newspapers designated by said board and pub-  
24 lished in the town wherein the main office of such  
25 corporation is located or, if there is no newspaper in  
26 said town, in the town wherein a newspaper is published  
27 which is nearest to the location of such corporation.  
28 If said board refuses to approve such conversion, no  
29 further proceedings shall be had, but the application  
30 may be renewed after one year from the date of the  
31 refusal, in which case notice of a public hearing thereon  
32 shall be published and mailed as hereinbefore provided.  
33 However, upon the grant of or refusal to grant such  
34 approval by the board the supreme judicial court upon  
35 application of a person aggrieved thereby shall have  
36 jurisdiction to review and to confirm or modify the  
37 action of the board. (2) If the board of bank incorpora-  
38 tion shall grant its approval as above provided, such  
39 conversion may be effected if authorized by an affirma-  
40 tive vote of three quarters of all the shareholders of  
41 such corporation voting in person or by proxy at a  
42 meeting especially called to consider the subject. Notice  
43 of such special meeting, containing a statement of the  
44 time, place and the purpose of the meeting shall be sent  
45 by the clerk of the corporation to each shareholder at  
46 his last address appearing upon the records of the corpo-  
47 ration, by mail, postage prepaid, at least thirty days  
48 before the date of the meeting.