

By Mr. Connell of Weymouth, petition of William A. Connell, Jr., relative to the making of certain investments by savings banks. Banks and Banking.

The Commonwealth of Massachusetts

In the Year One Thousand Nine Hundred and Seventy.

AN ACT RELATIVE TO THE MAKING OF CERTAIN INVESTMENTS BY SAVINGS 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 Chapter 168 of the General Laws is hereby amended by in-
- 2 serting after section 51 the following section:—
- 3 *Section 51A.* Such corporation may make any investment
- 4 not otherwise eligible under any other provision of this chap-
- 5 ter or any other provision of law, including but not limited to
- 6 investment in any capital stock of a corporation organized for
- 7 the purposes of acquiring and managing interests in real
- 8 property and acquiring, constructing, rehabilitating, leasing,
- 9 financing, and disposing of housing facilities, or in any other
- 10 interest in real or personal property, debt security, equity
- 11 security, or loan; provided that (a) no more than four per
- 12 cent of the deposits of such corporation shall be invested
- 13 pursuant to the provisions of this section; (b) no investment
- 14 shall be made by such corporation in the equity securities of
- 15 any one issuer pursuant to this section if the aggregate
- 16 amount invested by it in the equity securities of such issuer
- 17 pursuant to this section together with the amount invested
- 18 in such securities pursuant to any other provision of law ex-
- 19 ceeds, or by the making of such investment will exceed, one
- 20 per cent of the deposits of such corporation, and no invest-
- 21 ment shall be made by such corporation in a loan to, or in
- 22 the debt securities of, any one issuer pursuant to this sec-
- 23 tion, if the aggregate amount invested by it pursuant to this
- 24 section together with the amount invested in a loan to, or in

25 the debt securities of, such issuer pursuant to any other pro-
26 vision of law exceeds, or by the making of such investment will
27 exceed, one per cent of the deposits of such corporation; (c)
28 any loan made or debt security purchased pursuant to this
29 section shall be secured over the term of the loan or the debt
30 security, but no loan shall be made pursuant to this section
31 on the security of personal property having a fair market
32 value less than twenty-five thousand dollars; (d) this section
33 shall not be deemed to alter any provision of this chapter or
34 other provision of law limiting the aggregate amount that
35 may be invested in any class of loan or investment; and (e)
36 investments authorized solely by this section shall not be
37 deemed investments in which savings banks may legally in-
38 vest for the purposes of any other provision of law which
39 restricts investments to those in which savings banks may le-
40 gally invest.