

HOUSE No. 1238

By Mr. Creedon of Brockton, petition of the Massachusetts Co-operative Bank League and Michael C. Creedon relative to borrowing by co-operative banks. Banks and Banking.

The Commonwealth of Massachusetts

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

AN ACT RELATIVE TO BORROWING BY 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 Chapter 170 of the General Laws is hereby amended by adding
2 the following section: —

3 *Section 23A.* A bank by vote of its directors, may borrow from
4 any bank, any national bank, any Federal Reserve Bank, any
5 Federal Home Loan Bank, the Reserve Fund of The Co-operative
6 Central Bank, any agency of the state or federal government, or the
7 National Consumer Co-operative Bank to meet withdrawals, pay
8 taxes, make loans on deposit accounts or make or acquire loans or
9 investments. As security for all such borrowings, a bank may issue
0 its guaranty or assign and pledge its assets. All such borrowings,
1 whether secured or unsecured, not exceeding twenty percent of its
2 assets, shall constitute debt which shall be satisfied, in case of
3 liquidation of the affairs of the bank, before any distribution of its
4 assets to shareholders or holders of other accounts.

In the presence of the undersigned, reading of the said report
by the undersigned, Messrs. [Name] and [Name] of the
Committee on [Subject], and [Name]

5th Anniversary of [Subject]

In the year 1877, the [Subject] was [Action]

It was established by the [Authority]

The [Subject] has since that time [Action]

On the 15th of the month of [Month], [Action]

The [Subject] has since that time [Action]