

By Mr. Walsh, a petition (accompanied by bill, Senate, No. 34) of Robert K. Sheridan for legislation relative to the issuance of financial instruments by banks. Banks and Banking.

**The Commonwealth of Massachusetts**

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

**AN ACT RELATIVE TO THE ISSUANCE OF FINANCIAL INSTRUMENTS BY 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. Section 2 of chapter 167F of the General Laws  
2 is hereby amended by striking out paragraph 1, as appearing in  
3 the 1984 Official Edition, and inserting in place thereof the  
4 following paragraph: —

5 1. To discount, buy, invest in, hold, assign, transfer, sell and  
6 negotiate promissory notes, drafts, bills of exchange, mortgages,  
7 trade acceptances, banker's acceptances, bonds, obligations,  
8 accounts receivable, balances due on conditional sales and other  
9 evidences of debt for its own account or for the account of  
10 customers; such powers, without limitation (a) shall include the  
11 right to borrow money for its own account and to issue, discount,  
12 assign, transfer, sell and negotiate such debt instruments and  
13 securities as the board of investment or other applicable board  
14 or committee may approve, and (b) shall include the right for its  
15 own account to issue, discount, assign, transfer, sell and negotiate  
16 such other instruments and securities as the board of investment  
17 or other applicable board or committee may approve;

1 SECTION 2. Said section 2 of said chapter 167F is hereby  
2 further amended by striking out paragraph 7, as so appearing, and  
3 inserting in place thereof the following paragraph: —

4 7. To invest, subject to the approval of the commissioner and  
5 under such limitations or conditions as he may impose, in the

6 capital stock or shares of one or more wholly-owned subsidiary  
7 corporations or trusts organized and operated for the purposes  
8 of performing functions that the bank itself is empowered to  
9 perform directly or to issue debt or equity securities and to remit  
10 the net proceeds of such issuance to the bank.