

# HOUSE . . . . . No. 5912

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## *The Commonwealth of Massachusetts*

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HOUSE OF REPRESENTATIVES, May 6, 1975.

The committee on Banks and Banking, to whom were referred so much of the recommendations of the Commissioner of Banks (House, No. 33) as relates to branches and mergers of banks and credit unions (accompanied by bill, House, No. 36); the petition (accompanied by bill, House, No. 1637) of the Massachusetts Co-operative Bank League, the Savings Banks Association of Massachusetts, and William A. Connell, Jr., relative to further regulating mergers and consolidations of savings banks and co-operative banks; and the petition (accompanied by bill, House, No. 1639) of the Savings Banks Association of Massachusetts, the Massachusetts Co-operative Bank League and William A. Connell, Jr., relative to regulating the establishment of branch offices by savings banks and co-operative banks, report recommending that the accompanying bill (House, No. 5912) ought to pass [Representatives Manning of Waltham and Pickett of Somerville dissenting].

For the committee.

ANTONE S. AGUIAR, Jr.

## The Commonwealth of Massachusetts

In the Year One Thousand Nine Hundred and Seventy-Five.

### AN ACT RELATIVE TO BRANCHES AND MERGERS OF BANKS AND CREDIT UNIONS.

*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. Chapter 168 of the General Laws is hereby  
2 amended by striking out section 5 as most recently amended by  
3 section 8 of Chapter 1149 of the acts of 1973, and inserting in  
4 place thereof the following section: —

5 SECTION 5. After such notice and hearing as the com-  
6 missioner may require and with his written permission and under  
7 such conditions as he may approve such corporation may  
8 establish and maintain one or more branch offices or depots (a) in  
9 the town wherein its main office is located, or (b) in other towns  
10 within the commonwealth having no main office or branch office  
11 of a savings bank or in which, in the opinion of the commissioner,  
12 the public convenience and advantage would be served by the  
13 establishment of additional savings bank facilities; provided,  
14 however, that not more than one application by such corporation  
15 to establish a branch office or depot outside of the county  
16 wherein its main office is located shall be approved in any  
17 calendar year. Every application to establish and maintain one or  
18 more such branch offices or depots shall be accompanied by  
19 payment of an investigation fee of five hundred dollars for each  
20 branch or depot applied for.

21 The offices and depots of any savings bank consolidated or  
22 merged under section seventy-two or all or substantially all of the  
23 assets and liabilities of which have been acquired and assumed by  
24 another savings bank under section seventy-three, may be  
25 maintained as branch offices or depots, respectively, of such other  
26 savings bank, with the written permission of and under such  
27 conditions, if any, as may be approved by the commissioner. No  
28 savings bank shall be given permission pursuant to this paragraph  
29 in any one calendar year to maintain offices of more than one  
30 other savings bank which offices are located outside of the county

31 wherein its main office is located, nor shall any savings bank be  
32 given permission pursuant to either the first paragraph or the  
33 second paragraph of this section to establish or maintain one or  
34 more offices outside of the county wherein its main office is  
35 located during any calendar year in which such permission has  
36 been granted under the other of said paragraphs.

37 With the written consent of the commissioner a branch office  
38 or depot may be closed, or its location may be changed subject to  
39 the requirements and restrictions contained in the first paragraph  
40 of this section.

41 Any of the usual business transacted by such corporation at its  
42 main office may be transacted at a branch office. The business at  
43 a depot shall be transacted only on such days as may be  
44 designated by the board of investment and shall be limited to the  
45 receipt of deposits and the collection of moneys due or payable to  
46 the corporation, and such business shall be subject to such other  
47 conditions, if any, as may be prescribed by the commissioner.

1 SECTION 2. Section 72 of said chapter 168 is hereby amended  
2 by striking out the second sentence, as appearing in section 3 of  
3 chapter 1 of the acts of 1957, and inserting in place thereof the  
4 following sentence: If the commissioner is satisfied that a merger  
5 or consolidation of a savings bank proposing liquidation, as  
6 provided in section seventy-one, can be effected, upon terms  
7 approved by him, with another savings bank, and if he finds that  
8 such merger or consolidation is in the interests of depositors of  
9 the savings banks concerned, such merger or consolidation may  
10 be affected on such terms and subject to the direction of the  
11 commissioner.

1 SECTION 3. Section 73 of said chapter 168 is hereby amended  
2 by striking out the first sentence, as appearing in section 4 of said  
3 chapter 1, and inserting in place thereof the following sentence: —  
4 With the approval of the commissioner any such corporation may  
5 advance or loan upon, or purchase, the whole or any part of the  
6 assets of any other such corporation, including savings banks in  
7 possession of the commissioner under sections twenty-two to  
8 thirty-six, inclusive, of chapter one hundred and sixty-seven, and  
-9 savings banks assisted by or in possession of the Mutual Savings

10 Central Fund, Inc. and may participate in such an advance, loan  
11 or purchase with one or more savings banks or trust companies so  
12 located.

1 SECTION 4. Chapter 170 of the General Laws is hereby  
2 amended by striking out section 12, as most recently amended by  
3 chapter 11 of the acts of 1974, and inserting in place thereof the  
4 following section:—

5 SECTION 12. Such corporation shall carry on its principal  
6 business at its main banking office, which shall not be changed  
7 except with the approval of the commissioner.

8 The corporation, after such notice and hearing as the  
9 commissioner may require and with his written permission and  
10 under such regulations as he may approve may establish and  
11 maintain one or more depots where moneys due the bank may be  
12 collected by the treasurer or other persons duly empowered by the  
13 directors, upon such days as may be designated by vote of the  
14 board of directors; or may establish and maintain one or more  
15 branch offices (a) in the town wherein its main office is located, or  
16 (b) in other towns within the commonwealth having no main  
17 office or branch office of a co-operative bank or in which, in the  
18 opinion of the commissioner, the public convenience and  
19 advantage would be served by the establishment of additional co-  
20 operative bank facilities; provided, however, that not more than  
21 one application by such corporation to establish a branch office  
22 outside of the county wherein its main office is located shall be  
23 approved in any calendar year. Every application to establish and  
24 maintain one or more such depots or branch offices shall be  
25 accompanied by a payment of an investigation fee of five hundred  
26 dollars for each depot or branch office applied for. Such  
27 corporation, upon the vote of two thirds of the members present  
28 at a meeting called for that purpose and with the approval of the  
29 board of bank incorporation, may change the location of its main  
30 office to another town within the commonwealth by appropriate  
31 amendment of its agreement of association, a copy of which shall  
32 be filed forthwith with the state secretary. With the written  
33 consent of the commissioner, a branch office or depot may be  
34 closed, or the location thereof may be changed subject to the

35 requirements and restrictions contained in this paragraph for the  
36 establishment of such branch or depot.

37 The offices of any co-operative bank consolidated or merged  
38 under section forty-eight or all or substantially all of the assets  
39 and liabilities of which have been acquired under section forty-  
40 seven may be maintained as offices of such other co-operative  
41 bank, with the written permission of and under such conditions, if  
42 any, as may be approved by the commissioner. No co-operative  
43 bank shall be given permission pursuant to this paragraph in any  
44 one calendar year to maintain offices of more than one other co-  
45 operative bank which offices are located outside of the county  
46 wherein its main office is located, nor shall any co-operative bank  
47 be given permission pursuant to either the first paragraph or the  
48 second paragraph of this section to establish or maintain one or  
49 more offices outside of the county wherein its main office is  
50 located during any calendar year in which such permission has  
51 been granted under the other of said paragraphs.

1 SECTION 5. The second paragraph of section 2 of chapter 171  
2 of the General Laws, as appearing in chapter 321 of the acts of  
3 1965, is hereby amended by striking out the first sentence and  
4 inserting in place thereof the following sentence: After such notice  
5 and hearing as the commissioner may require and with his written  
6 permission and under such conditions as he may approve, a credit  
7 union may establish and maintain one or more branch offices or  
8 depots at any point within the commonwealth; provided,  
9 however, that not more than one application by any credit union  
10 to establish a branch office or depot outside of the county  
11 wherein its main office is located shall be approved in any  
12 calendar year.

1 SECTION 6. Paragraph (a) of section 11 of chapter 172 of the  
2 General Laws, as most recently amended by section 18 of chapter  
3 1149 of the acts of 1973, is hereby further amended by striking out  
4 the first sentence and inserting in place thereof the following  
5 sentence: (a) After such notice and hearing as the board may  
6 prescribe, a trust company may, with the approval of the board,  
7 establish and operate one or more branch offices in the city or

8 town where its principal office is located, or in any other city or  
9 town in the commonwealth, having no commercial banking  
10 facilities or having banking facilities which, in the opinion of the  
11 board, are inadequate for the public convenience; provided,  
12 however, that not more than one application by a trust company  
13 to establish a branch office under this paragraph outside of the  
14 county wherein its principal office is located shall be approved in  
15 any calendar year.

1 SECTION 7. Section 11 of said chapter 172 is hereby amended  
2 by striking out paragraph (b), as appearing in section 1 of chapter  
3 493 of the acts of 1961, and inserting in place thereof the  
4 following paragraph:

5 (b) With the approval of the commissioner and under such  
6 conditions as he may prescribe, such corporation may maintain  
7 as a branch office or offices any office of a trust company,  
8 banking company or national banking association, in the  
9 commonwealth, the business of which has been taken over under  
10 section thirty-two or thirty-eight. No trust company shall be given  
11 permission pursuant to this paragraph in any one calendar year to  
12 maintain offices of more than one other banking institution  
13 which offices are located outside of the county wherein its  
14 principal office is located, nor shall any trust company be given  
15 permission pursuant to either paragraph (a) or paragraph (b) of  
16 this section to establish or maintain one or more offices outside of  
17 the county wherein its principal office is located during any  
18 calendar year in which such permission has been granted under  
19 the other of said paragraphs.

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BY JOHN B. HENNINGSEN

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