
By Mr. Backman, a petition of Jack H. Backman, Samuel Harmon and Irving Fishman for legislation to authorize credit unions to invest in bonds of the State of Israel. Banks and Banking.

The Commonwealth of Massachusetts

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

AN ACT AUTHORIZING CREDIT UNIONS TO INVEST IN BONDS OF THE STATE OF ISRAEL

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 21 of chapter 171 of the General Laws is hereby
2 amended by striking out the first sentence, as most recently
3 amended by chapter 641 of the acts of 1967, and inserting in
4 place thereof the following sentence: —

5 The capital, deposits, and surplus of a credit union shall
6 be invested in loans to members, with approval of the
7 credit committee, as provided in section twenty-two, and also
8 when so required herein, of the board of directors; and any
9 capital, deposits, or surplus funds in excess of the amount for
10 which loans shall be approved by the credit committee and
11 the board of directors may be deposited in savings banks or
12 trust companies incorporated in the commonwealth, or in bank-
13 ing companies so incorporated and which are members of the
14 Federal Deposit Insurance Corporation, or in national banks
15 located in the commonwealth, or invested in any bonds, notes,
16 certificates of deposit, bankers' acceptances, bank stocks, or
17 insurance stocks which are at the time of their purchase
18 legal investments for savings banks in the commonwealth,
19 or in bonds of the State of Israel or, to the extent authorized
20 by section three of chapter two hundred and sixteen of the
21 acts of nineteen hundred and thirty-two, in the shares of the
22 Central Credit Union Fund, Inc., or in paid-up shares and
23 accounts of and in co-operative banks incorporated in the
24 commonwealth, or in the shares of savings and loan associa-

25 tions incorporated in the commonwealth, or in the shares of
26 federal savings and loan associations having a usual place of
27 business within the commonwealth to an amount not in ex-
28 cess of the insurance provided by the Federal Savings and
29 Loan Insurance Corporation for a depositor in any one of
30 such associations, but not more than ten per cent of the assets
31 of credit union shall be invested in bank stocks, insurance
32 stocks or both; provided, that not more than fifteen thousand
33 dollars or one per cent of the assets of a credit union, which-
34 ever is greater, shall be invested in the stock of any one bank
35 or insurance company. The amount invested by a credit union
36 in bonds, notes or bankers' acceptances shall not be in excess
37 of that permitted to savings banks.