

By Mr. Creedon of Brockton, petition of Michael C. Creedon relative to deposits of savings banks. Banks and Banking.

**The Commonwealth of Massachusetts**

In the Year One Thousand Nine Hundred and Eighty.

AN ACT RELATIVE TO DEPOSITS OF 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 SECTION 1. Chapter 168 of the General Laws is hereby  
2 amended by striking out section 21, as most recently amended by  
3 section 1 of chapter 125 of the acts of 1979, and inserting in place  
4 thereof the following section: —

5 *Section 21.* Such corporation may receive on deposit funds  
6 from any person for his own account or for the accounts of one or  
7 more distinct estates or trusts and deposits on any joint account  
8 provided for in section twenty-two of chapter one hundred and  
9 sixty-eight. Such corporation may also receive term deposits or  
10 joint term deposits for the account of any person or persons or any  
11 one or more distinct estates or trusts.

12 Deposits which such corporation may receive shall also include,  
13 without limitation, the following classes: — deposits by trustees or  
14 custodians appointed pursuant to the Self-Employed Individuals  
15 Tax Retirement Act of 1962 (Public Law 87-792) or pursuant to  
16 the Employee Retirement Income Security Act of 1974 (Public  
17 Law 93-406) or pursuant to the provisions of section 152 of the  
18 Revenue Act of 1978 (Public Law 95-600); deposits by the com-  
19 monwealth or any city, town or county of the commonwealth or by  
20 any instrumentality thereof; deposits by religious, charitable or  
21 educational corporation or organization, labor union, credit  
22 union, or fraternal society; deposits in the name of a judge of  
23 probate, or by order of any court; deposits of any trust held by a  
24 town for public uses; deposits of funds representing replacement

25 reserves or similar accumulations required under the provisions of  
26 any mortgage held by such corporation and insured by the federal  
27 housing administrator, referred to in paragraph 11 of section  
28 thirty-five and in section fifty-one of chapter one hundred and  
29 sixty-seven; deposits of the funds of the Savings Banks Employees  
30 Retirement Association; deposits in such corporation acquired by  
31 any person or persons by inheritance or bequest; deposits of funds  
32 of a corporation, partnership, association or other business entity;  
33 deposits of any funds of any private retirement or pension system  
34 or association; and deposits of funds of any housing authority,  
35 referred to in sections three and five of chapter one hundred and  
36 twenty-one B.

37 If deposits are made in trust, they may be made by one or two  
38 persons in trust for another. The name and residence of the person  
39 for whom such deposit is made shall be disclosed and the deposit  
40 shall be credited to the depositors as trustees for such person.  
41 Payments may be made to the trustee, and if there are two trustees  
42 payments may be made to both or to either or the survivor. If no  
43 other notice of the existence and terms of a trust has been received  
44 in writing by the corporation, upon the death of the trustee or if  
45 there are two trustees then upon the death of both, the amount  
46 then on deposit together with the dividends thereon may be paid to  
47 the person for whom such deposit was made, or to his legal  
48 representative. Withdrawals and payments made as provided in  
49 this paragraph shall fully discharge the liability of the corporation  
50 to all persons.

1 SECTION 2. Section 22 of said chapter 168 is hereby amended  
2 by striking out paragraph 2, as most recently amended by section 2  
3 of chapter 103 of the acts of 1978, and inserting in place thereof the  
4 following paragraph: —

5 Any party to a joint account also may make deposits for his  
6 individual account.

1 SECTION 3. Section 22A of said chapter 168 is hereby  
2 amended by striking out the first sentence, as appearing in section  
3 2 of chapter 169 of the acts of 1962, and inserting in place thereof  
4 the following sentence: —

5 Any of the deposits authorized by sections twenty-one and

6 twenty-two may, if the trustees of such corporation so determine,  
7 be received as special notice account deposits, subject to the provi-  
8 sions of this section.

1 SECTION 4. Section 22B of said chapter 168 is hereby  
2 amended by striking out the first sentence, as appearing in section  
3 2 of chapter 169 of the acts of 1962, and inserting in place thereof  
4 the following sentence: —

5 Any of the deposits authorized by sections twenty-one and  
6 twenty-two may, if the trustees of such corporation so determine,  
7 be received as systematic savings account deposits, subject to the  
8 provisions of this section.

1 SECTION 5. Section 22C of said chapter 168 is hereby  
2 amended by striking out the first sentence, as appearing in section  
3 1 of chapter 354 of the acts of 1971, and inserting in place thereof  
4 the following sentence: —

5 Any of the deposits authorized by sections twenty-one and  
6 twenty-two may, if the trustees of such corporation so determine,  
7 be received as term deposits, subject to the provisions of this  
8 section.

1 SECTION 6. Subsection 1 of said section 22C of said chapter  
2 168 is hereby amended by striking out the first paragraph, as most  
3 recently amended by section 1 of chapter 360 of the acts of 1979,  
4 and inserting in place thereof the following paragraph: —

5 1. *Term Deposit Account Plans.* — Any such deposit shall be  
6 received subject to the terms of a written plan consistent with  
7 applicable regulations promulgated by the commissioner which  
8 plan shall specify (a) the proposed rates of dividends to be paid on  
9 such term deposits, including day-to-day dividends or interest if  
10 the plan so provides, (b) the minimum amount, if any, and the  
11 minimum period, which shall not be less than six months, of  
12 maintenance of such balances to which such specified rates shall  
13 apply, (c) the additional reserves to be established for such rates of  
14 dividends, (d) the form and substance of the certificate or pass-  
15 book which shall represent the deposits to which such dividends  
16 may apply and (e) such other provisions as are deemed necessary  
17 or advisable to give effect to the purposes of such plan.

1 SECTION 7. Section 26 of said chapter 168 is hereby amended  
2 by striking out paragraph 1, as amended by section 4 of chapter  
3 169 of the acts of 1962.