

By Messrs. Walsh of Boston and Adams of Westfield, petition of the Savings Banks Association of Massachusetts, Joseph B. Walsh and James A. Adams relative to the making by savings banks of investments not otherwise authorized. Banks and Banking.

The Commonwealth of Massachusetts

In the Year One Thousand Nine Hundred and Seventy.

AN ACT RELATIVE TO THE MAKING BY SAVINGS BANKS OF INVESTMENTS NOT OTHERWISE AUTHORIZED.

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 168 of the General Laws is hereby amended by add-
2 ing after section 51 the following section:—
3 *Section 51A. Investments Not Otherwise Eligible.*—Such
4 corporation may make any investment not otherwise eligible
5 under any other provision of this chapter or any other pro-
6 vision of law, including but not limited to investment in any
7 capital stock of a corporation organized for the purposes of
8 acquiring and managing interests in real property and acquir-
9 ing, constructing, rehabilitating, leasing, financing, and dis-
10 posing of housing facilities, or in any other interest in real or
11 personal property, debt security, equity security, or loan; pro-
12 vided that (a) no more than three per cent of the deposits of
13 such corporation shall be invested pursuant to the provisions
14 of this section; (b) no investment shall be made by such cor-
15 poration in the equity securities of any one issuer pursuant to
16 this section if the aggregate amount invested by it in the equity
17 securities of such issuer pursuant to this section together with
18 the amount invested in such securities pursuant to any other
19 provision of law exceeds, or by the making of such investment
20 will exceed, one per cent of the deposits of such corporation,
21 and no investment shall be made by such corporation in a loan
22 to, or in the debt securities of, any one issuer pursuant to this
23 section, if the aggregate amount invested by it pursuant to

24 this section together with the amount invested in a loan to,
25 or in the debt securities of, such issuer pursuant to any other
26 provision of law exceeds, one per cent of the deposits of such
27 corporation; (c) any loan made or debt security purchased
28 pursuant to this section shall be secured over the term of the
29 loan or the debt security; (d) this section shall not be deemed
30 to alter any provision of this chapter or other provision of law
31 limiting the aggregate amount that may be invested in any
32 class of loan or investment; and (e) investments authorized
33 solely by this section shall not be deemed investments in which
34 savings banks may legally invest for the purposes of any other
35 provision of law which restricts investments to those in which
36 savings banks may legally invest.