

**Chap. 221.** AN ACT RELATIVE TO PARTICIPATING LOANS BY CO-OPERATIVE BANKS.

*Be it enacted, etc., as follows:*

Section 23 of chapter 170 of the General Laws is hereby amended by striking out subsection 4, as amended by chapter 126 of the acts of 1963, and inserting in place thereof the following subsection: —

4. *Participation Loans.* — Any such corporation may make or acquire mortgage loans in participation with other banking institutions or associations. The participating corporations shall enter into a written agreement for themselves, their successors and assigns, which shall include provisions for the custody of the note and mortgage and for the servicing and foreclosure thereof. The amount which, notwithstanding the provisions of section twenty-four, any such corporation may invest in a participation loan shall not exceed one per cent of its deposits or thirty thousand dollars, whichever is greater, and the aggregate balance of principal of all such participation loans, outstanding at any one time by such corporation, shall not exceed five per cent of its total deposits.

*Approved March 25, 1964.*

**Chap. 222.** AN ACT RELATIVE TO INVESTMENT OF FUNDS BY CREDIT UNIONS.

*Be it enacted, etc., as follows:*

Section 21 of chapter 171 of the General Laws is hereby amended by striking out the first sentence, as appearing in section 1 of chapter 151 of the acts of 1957, and inserting in place thereof the following sentence: — The capital, deposits, and surplus of a credit union shall be invested in loans to members, with approval of the credit committee, as provided in section twenty-two, and also when so required herein, of the board of directors; and any capital, deposits, or surplus funds in excess of the amount for which loans shall be approved by the credit committee and the board of directors may be deposited in savings banks or trust companies incorporated in the commonwealth, or in banking companies so incorporated and which are members of the Federal Deposit Insurance Corporation, or in national banks located in the commonwealth, or invested in any bonds, notes, bankers' acceptances, bank stocks, or insurance stocks which are at the time of their purchase legal investments for savings banks in the commonwealth, or, to the extent authorized by section three of chapter two hundred and sixteen of the acts of nineteen hundred and thirty-two, in the shares of the Central Credit Union Fund, Inc., or in paid-up shares and accounts of and in co-operative banks incorporated in the commonwealth, or in the shares of savings and loan associations incorporated in the commonwealth, or in the shares of federal savings and loan associations having a usual place of business within the commonwealth to an amount not to exceed ten thousand dollars in any one of such associations, but not more than ten per cent of the assets of a credit union shall be invested in bank stocks, insurance stocks or both; provided, that not more than fifteen thousand dollars or one per cent of the assets of a credit union, whichever is greater, shall be invested in the stock of any one bank or insurance company.

*Approved March 25, 1964.*