

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 1305 Session of
1984INTRODUCED BY HOLL, JUBELIRER, ZEMPRELLI, KUSSE, WILT, FISHER,
ROSS, SCANLON, LYNCH, HANKINS AND O'PAKE, MARCH 21, 1984

SENATOR HOLL, BANKING AND INSURANCE, AS AMENDED, MAY 15, 1984

AN ACT

1 Amending the act of May 15, 1933 (P.L.565, No.111), entitled "An
2 act relating to the powers and duties of the Department of
3 Banking and the Secretary of Banking in exercising
4 supervision over, and taking possession of and conducting or
5 liquidating the business and property of, corporations,
6 associations, and persons receiving deposits or otherwise
7 transacting a banking business, corporations acting as
8 fiduciaries, and building and loan associations; providing
9 for the payment of the expenses of the Department of Banking
10 by supervised corporations, associations, or persons, and
11 appropriating the Banking Department Fund; authorizing the
12 Department of Banking, under certain circumstances, to
13 examine corporations, associations, or persons affiliated, or
14 having business transactions with supervised corporations,
15 associations or persons; authorizing appeals to the Supreme
16 Court, and prescribing and limiting the powers and duties of
17 certain other courts and their prothonotaries, registers of
18 wills, recorders of deeds, and certain State departments,
19 commissions, and officers; authorizing certain local public
20 officers and State departments to collect fees for services
21 rendered under this act; providing penalties; and repealing
22 certain acts and parts of acts," LIMITING EFFECTS OF <—
23 SUBPOENAS ON OFFICERS AND EMPLOYEES; easing restrictions on
24 loans to clerical employees of the Department of Banking; and
25 extending the examination period.

26 The General Assembly of the Commonwealth of Pennsylvania
27 hereby enacts as follows:

28 ~~Section 1. Section 303 B. of the act of May 15, 1933~~ <—
29 ~~(P.L.565, No.111), known as the Department of Banking Code,~~

SECTION 1. SECTION 302 A. OF THE ACT OF MAY 15, 1933
(P.L.565, NO.111), KNOWN AS THE DEPARTMENT OF BANKING CODE, IS
AMENDED TO READ:

SECTION 302. DISCLOSURE OF INFORMATION FORBIDDEN; PENALTY;
EXCEPTIONS.--A. NEITHER THE SECRETARY, NOR ANY DEPUTY,
EXAMINER, CLERK, OR OTHER EMPLOYE OF THE DEPARTMENT, SHALL
PUBLISH OR DIVULGE TO ANYONE ANY INFORMATION CONTAINED IN OR
ASCERTAINED FROM ANY EXAMINATION OR INVESTIGATION MADE BY THE
DEPARTMENT, OR ANY LETTER, REPORT, OR STATEMENT SENT TO THE
DEPARTMENT, OR ANY OTHER PAPER OR DOCUMENT IN THE CUSTODY OF THE
DEPARTMENT, EXCEPT WHEN THE PUBLICATION OR DIVULGEMENT OF SUCH
INFORMATION IS MADE BY THE DEPARTMENT PURSUANT TO THE PROVISIONS
OF THIS ACT OR OF ANY OTHER LAW OF THIS COMMONWEALTH, OR WHEN
THE PRODUCTION OF SUCH INFORMATION IS REQUIRED BY SUBPOENA OR
OTHER LEGAL PROCESS OF A COURT OF COMPETENT JURISDICTION, OR
WHEN IT IS USED IN PROSECUTIONS OR OTHER COURT ACTIONS
INSTITUTED BY OR ON BEHALF OF THE DEPARTMENT. THE SERVICE OF A
SUBPOENA UPON THE SECRETARY, DEPUTY, EXAMINER, CLERK OR OTHER
EMPLOYE OF THE DEPARTMENT SHALL NOT BE CONSTRUED AS REQUIRING
SUCH PERSON TO DISCLOSE ANY INFORMATION, BUT SUCH PERSON SHALL
HAVE ALL THE RIGHTS AND PRIVILEGES AS ANY OTHER SUBPOENAED PARTY
TO OBJECT TO PRODUCTION OF INFORMATION ON THE SAME BASIS AS
PROVIDED IN THE RULES OF CIVIL PROCEDURE, STATUTE LAW OR COMMON
LAW.

SECTION 2. SECTION 303 B. OF THE ACT, added October 5, 1978
(P.L.1133, No.266), is amended to read:

Section 303. Conflicts of Interest; Penalty.--* * *

B. Except as provided in subsection E, neither the Secretary
of Banking, nor any officer or employe of the department, nor
any deputy receiver or employe of the Secretary of Banking, as

1 receiver, shall receive any sum of money or any property as a
2 gift or loan or otherwise, directly or indirectly from any
3 institution or from any officer, director or employe thereof.
4 This subsection shall not apply to loans to employes of the
5 Department of Banking who function in a clerical or
6 nondecisionmaking capacity with regard to institutions,
7 including but not limited to, clerks, typists and stenographers.

8 * * *

9 Section ~~2~~ 3. Section 401 A. of the act, amended March 31, <—
10 1943 (P.L.29, No.15), is amended to read:

11 Section 401. Examinations of Institutions.--A. The
12 department shall examine all institutions thoroughly at least
13 once [each year] every two calendar years, and more frequently
14 if it deems such action necessary or advisable to safeguard the
15 interests of depositors, other creditors, or shareholders of
16 such institutions. This examination shall include a complete
17 review of the property, assets, and resources of the
18 institution; the loans and discounts made by it and the
19 collateral deposited with it as security for such loans; the
20 mode of conducting its affairs; the investment of its funds; the
21 interest taken in its affairs by its officers, directors, and
22 employes if a corporation, or by its employes and the partners
23 or individuals owning it if a person; its compliance with the
24 law, and with the terms of its charter or license if it has
25 either; and any other matters, bearing any relation to its
26 condition, which the department shall prescribe[: Provided,
27 however, That for the duration of the present war and six (6)
28 months thereafter, the department shall not be required to make
29 such examinations more than once every two years].

30 The department may also make special examinations or

1 investigations of any institution at any time the department
2 deems such action necessary or advisable, to protect depositors,
3 other creditors or shareholders thereof.

4 * * *

5 Section 3 4. This act shall take effect immediately.

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