

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 1512 Session of
1990

INTRODUCED BY BAKER, LOEPER, SHUMAKER, BRIGHTBILL AND PETERSON,
MARCH 13, 1990

REFERRED TO BANKING AND INSURANCE, MARCH 13, 1990

AN ACT

1 Amending the act of November 30, 1965 (P.L.847, No.356),
2 entitled "An act relating to and regulating the business of
3 banking and the exercise by corporations of fiduciary powers;
4 affecting persons engaged in the business of banking and
5 corporations exercising fiduciary powers and affiliates of
6 such persons; affecting the shareholders of such persons and
7 the directors, trustees, officers, attorneys and employes of
8 such persons and of the affiliates of such persons; affecting
9 national banks located in the Commonwealth; affecting persons
10 dealing with persons engaged in the business of banking,
11 corporations exercising fiduciary powers and national banks;
12 conferring powers and imposing duties on the Banking Board,
13 on certain departments and officers of the Commonwealth and
14 on courts, prothonotaries, clerks and recorders of deeds;
15 providing penalties; and repealing certain acts and parts of
16 acts," permitting the formation of mutual holding companies;
17 and providing for reciprocal interstate operations for
18 savings banks.

19 The General Assembly of the Commonwealth of Pennsylvania
20 hereby enacts as follows:

21 Section 1. The act of November 30, 1965 (P.L.847, No.356),
22 known as the Banking Code of 1965, is amended by adding a
23 section to read:

24 Section 115.1. Mutual Holding Companies

25 (a) In General--Notwithstanding any other provision of this

1 act, a savings bank organized under this act in mutual form may
2 reorganize so as to become a holding company by:

3 (i) chartering a subsidiary stock savings bank, the
4 stock of which is wholly owned by the mutual savings bank at
5 the time of the reorganization, and

6 (ii) transferring the substantial part of its assets and
7 liabilities, including all of its liabilities which are
8 insured by any deposit insurance corporation, to the
9 subsidiary stock savings bank.

10 (b) Directors' approval of plan required--A reorganization
11 is not authorized under this section unless a plan providing for
12 such reorganization has been approved by the affirmative vote of
13 two-thirds of the board of directors of the mutual savings bank.

14 (c) Notice to, and approval by, the department--

15 (i) At least sixty days prior to taking any action
16 described in subsection (a), a mutual savings bank seeking to
17 establish a mutual holding company shall provide written
18 notice to the department. The notice shall contain such
19 relevant information as the department shall require by
20 regulation or by specific request in connection with any
21 particular notice.

22 (ii) Upon receipt of an application for approval of a
23 plan of reorganization authorized by this section, the
24 department shall conduct such investigation as it may deem
25 necessary to determine whether:

26 (A) the plan satisfies the requirements of this act,
27 and

28 (B) the plan adequately protects the interests of
29 depositors, borrowers and creditors.

30 (iii) Within sixty days after receipt of the

1 application, the department shall approve or disapprove the
2 application on the basis of its investigation and shall
3 immediately give to the savings bank written notice of its
4 decision, and in the event of disapproval, a statement in
5 detail of such grounds therefor as are permitted by paragraph
6 (c)(iv).

7 (iv) The department may disapprove any proposed holding
8 company formation only if:

9 (A) the plan providing for such reorganization fails
10 to comply, or as implemented would fail to comply, with
11 such regulations as the department may promulgate from
12 time to time,

13 (B) the plan unlawfully impairs any ownership rights
14 of depositors of the mutual savings bank,

15 (C) such disapproval is necessary to prevent unsafe
16 or unsound practices,

17 (D) the financial or management resources of the
18 resulting mutual holding company or the resulting savings
19 bank warrant disapproval, or

20 (E) the savings bank fails to furnish the
21 information required under subsection (c)(1).

22 (v) At the time of the transaction described in
23 subsection (a), a savings bank may, with the approval of the
24 department, retain capital assets at the holding company
25 level to the extent that such capital assets are not needed
26 by the subsidiary stock savings bank in order for the
27 subsidiary to satisfy applicable regulatory requirements.

28 (d) permitted activities--A mutual holding company may
29 engage only in the following activities:

30 (i) investing in the stock of one or more financial

1 institution subsidiaries,

2 (ii) acquiring one or more additional financial
3 institution subsidiaries through the merger of such financial
4 institution subsidiaries into a subsidiary of the holding
5 company,

6 (iii) subject to subsection (e), merging with or
7 acquiring another holding company, one of whose subsidiaries
8 is a financial institution subsidiary,

9 (iv) investing in a corporation the capital stock of
10 which is available for purchase by a savings bank under
11 Federal law or under this act,

12 (v) engaging in such activities as are permitted, by
13 statute or regulation, to a holding company of a federally
14 chartered insured mutual institution under Federal law, and

15 (vi) engaging in such other activities as may be
16 permitted by the department.

17 (e) Limitations on certain activities of acquired holding
18 companies--

19 (i) if a mutual holding company acquires or merges with
20 another holding company pursuant to subsection (d)(iii), the
21 holding company acquired or the holding company resulting
22 from such merger or acquisition may invest in only those
23 assets and engage in only those activities which are
24 authorized under subsection (d),

25 (ii) not later than two years following a merger or
26 acquisition described in subsection (d)(iii), the acquired
27 holding company or the holding company resulting from such
28 merger or acquisition shall:

29 (A) dispose of any asset which is an asset in which
30 a mutual holding company may not invest under subsection

1 (d), and

2 (B) cease any activity which is an activity in which
3 a mutual holding company may not engage under subsection
4 (d).

5 (f) Regulation--The department shall have the authority to
6 issue rules, regulations and orders as may be necessary to
7 properly administer this section. Until the department has
8 adopted regulations pursuant to this section, the department
9 shall not approve any application by an association for approval
10 of a plan of reorganization into a mutual holding company.

11 (g) Definitions--The following words and phrases when used
12 in this section shall have, unless the context clearly indicates
13 otherwise, the following meanings:

14 (i) "Mutual holding company," a corporation organized as
15 a holding company under this section.

16 (ii) "Financial institution subsidiary," a savings
17 association, a Federal savings and loan association or
18 savings bank which is located in Pennsylvania, a bank, a bank
19 and trust company, a trust company, a savings bank, a
20 regional thrift institution, or, after March 4, 1990, a
21 foreign thrift institution.

22 Section 2. Section 117 of the act, amended or added December
23 18, 1986 (P.L.1702, No.205) and May 18, 1988 (P.L.399, No.65),
24 is amended to read:

25 Section 117. Authorization of [Regional,] Reciprocal Interstate
26 Operations of Savings Banks

27 (a) Definitions for purpose of section--The following words
28 and phrases when used in this section shall have, unless the
29 context clearly indicates otherwise, the following meanings:

30 (i) "Acquire"--to acquire (as defined in section

1 112(a)(i)) five percent or more of the voting stock of an
2 entity and shall also mean a merger or consolidation or a
3 purchase of assets and an assumption of liabilities, other
4 than in the regular course of business.

5 (ii) "Bank holding company"--the same meaning as that
6 term has under the Bank Holding Company Act of 1956, 12
7 U.S.C. § 1841(a).

8 (iii) "Branch"--an office which performs the functions
9 described in section 102(h).

10 (iv) "Control"--the power, directly or indirectly, to
11 direct the management or policies of an entity or to vote
12 twenty-five percent or more of any class of voting securities
13 of an entity.

14 (v) "Entity"--any corporation, partnership, association
15 or similar organization, including banks and thrift
16 institutions.

17 (vi) "Foreign association"--a savings and loan
18 association or building and loan association located in and
19 organized and operating under the laws of a state other than
20 Pennsylvania and a Federal association, as defined in 12
21 U.S.C. § 1462(d), that is located in a state other than
22 Pennsylvania.

23 (vii) "Foreign savings bank"--a savings bank located in
24 and organized and operating under the laws of a state other
25 than Pennsylvania.

26 (viii) "Foreign thrift institution"--a foreign savings
27 bank or a foreign association.

28 (ix) "Foreign thrift institution holding company"--an
29 entity which controls one or more foreign thrift institutions
30 and is located in a state other than Pennsylvania.

1 [(vi)] (x) "Pennsylvania savings bank"--a savings bank
2 as defined in section 102(x).

3 [(vii)] (xi) "Pennsylvania savings bank holding
4 company"--an entity which controls one or more Pennsylvania
5 savings banks and is located in Pennsylvania.

6 [(viii)] (xii) "Region"--the States of Delaware,
7 Indiana, Kentucky, Maryland, New Jersey, Ohio, Virginia and
8 West Virginia, and the District of Columbia.

9 [(ix)] (xiii) "Regional association"--a savings and loan
10 association or building and loan association located in and
11 organized and operating under the laws of a state in the
12 region and a Federal association, as defined in 12 U.S.C. §
13 1462(d), that is located in the region.

14 [(x)] (xiv) "Regional savings bank"--a savings bank
15 located in and organized and operating under the laws of a
16 state in the region.

17 [(xi)] (xv) "Regional thrift institution"--a regional
18 savings bank or a regional association.

19 [(xii)] (xvi) "Regional thrift institution holding
20 company"--an entity which controls one or more regional
21 thrift institutions and is located in a state in the region.

22 [(xiii)] (xvii) "Savings and loan holding company"--as
23 defined in 12 U.S.C. § 1730a(a)(1)(D).

24 [(xiv)] (xviii) "State"--includes the District of
25 Columbia.

26 [(xv)] (xix) State in which an entity is "located"--

27 (A) with regard to a thrift institution, the state
28 in which its deposits are largest; and

29 (B) with regard to a thrift institution holding
30 company, a savings bank holding company, a savings and

1 loan holding company or a bank holding company, the state
2 in which the total deposits of its subsidiaries,
3 including commercial banks, are largest.

4 Provided, that an entity or its legal successor that is
5 located in Pennsylvania on the effective date of this
6 legislation shall be deemed thereafter to be located in
7 Pennsylvania regardless of the location of its deposits or
8 the deposits of its subsidiaries if said entity has not been
9 either acquired by an entity located outside of Pennsylvania
10 or a party to a merger or consolidation transaction in which
11 the holders of its voting shares immediately prior to the
12 transaction held less than fifty percent of the voting shares
13 of any class of stock in the entity surviving after, or
14 resulting from, the merger or consolidation.

15 (b) Acquisitions by [regional] foreign thrift institutions
16 and [regional] foreign thrift institution holding companies--A
17 [regional] foreign thrift institution or [regional] foreign
18 thrift institution holding company may acquire a Pennsylvania
19 savings bank or a Pennsylvania savings bank holding company if:

20 (i) the law of the state where the acquiring thrift
21 institution or thrift institution holding company is located
22 and the law of the state where any savings and loan holding
23 company or bank holding company which directly or indirectly
24 owns or controls the power to vote five percent or more of
25 its shares is located satisfies, in each case, the
26 reciprocity requirement of subsection (d);

27 (ii) the acquiring thrift institution or thrift
28 institution holding company and any savings and loan holding
29 company or bank holding company which directly or indirectly
30 owns or controls the power to vote five percent or more of

1 its shares is, in each case, located in a state in the region
2 or in Pennsylvania, except that the requirement of location
3 in the region or in Pennsylvania will not be applicable to an
4 acquisition consummated after March 4, 1990; and

5 (iii) approval has been received from the department.

6 When considering a proposed acquisition by a [regional]
7 foreign thrift institution or a [regional] foreign thrift
8 institution holding company, the department shall give
9 specific attention to the effect of the acquisition on the
10 availability, in this Commonwealth, of those banking and
11 basic transaction account services set forth in subsections
12 (i) and (j).

13 (c) Branching by [regional] foreign savings banks--

14 (i) A [regional] foreign savings bank may, with the
15 prior written approval of the department, maintain as a
16 branch any office acquired as part of an acquisition effected
17 under this section or section 114 of the Savings Association
18 Code of 1967.

19 (ii) A [regional] foreign savings bank may establish and
20 maintain branches in this Commonwealth if:

21 (A) the state in which it is located and the state
22 in which any savings and loan holding company or bank
23 holding company which directly or indirectly owns or has
24 the power to vote five percent or more of its shares is
25 located satisfies, in each case, the reciprocity
26 requirement of subsection (d);

27 (B) the savings bank and any savings and loan
28 holding company or bank holding company which directly or
29 indirectly owns or controls the power to vote five
30 percent or more of its shares is, in each case, located

1 in a state in the region or in Pennsylvania, except that
2 the requirement of location in the region or in
3 Pennsylvania will not be applicable with respect to a
4 branch established after March 4, 1990; and

5 (C) the branch is approved by the department in the
6 same manner and subject to the same conditions as are
7 applicable to de novo branches of Pennsylvania savings
8 banks under sections 904 and 905.

9 (d) Reciprocity requirement--

10 (i) The law of another state is reciprocal under this
11 section to the extent the department determines it to be so.
12 The department's determination under this subsection shall
13 include, but is not limited to:

14 (A) with regard to acquisitions, whether the law of
15 that other state authorizes Pennsylvania savings banks
16 and Pennsylvania savings bank holding companies to
17 acquire [regional] foreign thrift institutions and
18 [regional] foreign thrift institution holding companies
19 located in that state on terms and conditions reasonably
20 equivalent to those applicable to acquisitions by
21 [regional] foreign thrift institutions and [regional]
22 foreign thrift institution holding companies of
23 Pennsylvania savings banks or Pennsylvania savings bank
24 holding companies and whether the law of that other state
25 imposes conditions on the acquisition by Pennsylvania
26 savings banks or Pennsylvania savings bank holding
27 companies of [regional] foreign thrift institutions or
28 [regional] foreign thrift institution holding companies
29 located in that state that are substantially more onerous
30 than those imposed on the same acquisitions by thrift

1 institutions or thrift institution holding companies
2 located in that state; and

3 (B) with regard to branching, whether the law of
4 that other state authorizes Pennsylvania savings banks to
5 establish or maintain branches in that state on terms and
6 conditions reasonably equivalent to those applicable to
7 the establishment or maintenance of branches in
8 Pennsylvania by savings banks located in that state, and
9 reasonably equivalent to those applicable to the
10 establishment and maintenance of branches in that state
11 by a savings bank located in that state.

12 (ii) The department need not determine that the law of
13 another state fails to meet the reciprocity requirement of
14 this subsection solely by reason of the fact that that law
15 does not allow Pennsylvania savings banks or Pennsylvania
16 savings bank holding companies to engage in a particular type
17 of branching or acquisition, or imposes conditions on such
18 branching or acquisition that are substantially more onerous
19 than those imposed on the same activities of savings banks or
20 savings bank holding companies located in that state.

21 However, in such circumstances, the department shall find
22 reciprocity only after imposing on the savings banks and
23 savings bank holding companies located in that state
24 conditions and limitations on branching and acquisitions in
25 Pennsylvania substantially similar to those imposed on
26 branching and acquisitions in that state by Pennsylvania
27 savings banks and savings bank holding companies.

28 (iii) The department may determine that the law of
29 another state is not reciprocal regarding a particular type
30 of branching or acquisition if the law of that other state

1 does not allow all Pennsylvania savings banks or,
2 alternatively, all Pennsylvania savings bank holding
3 companies to engage on equal terms with each other in the
4 particular type of branching or acquisition.

5 (e) Authority of the department--In addition to the powers
6 granted elsewhere in this section and in other provisions of
7 Pennsylvania law, the department is authorized to impose any
8 conditions or requirements it deems appropriate, in light of the
9 purposes of this act, on thrift institutions and thrift
10 institution holding companies acquired or operating directly or
11 indirectly in Pennsylvania under this section. Such conditions
12 or requirements include, but are not limited to, provisions for
13 examinations, reports and the payment of fees. The department
14 may accept examinations and other reports of Federal and state
15 regulators and may enter into agreements with Federal and state
16 regulators for the exchange of information, including
17 examination reports.

18 (f) Change in circumstances--If a [regional] foreign thrift
19 institution or [regional] foreign thrift institution holding
20 company [located in another state] which has acquired a
21 Pennsylvania savings bank or Pennsylvania savings bank holding
22 company or has established a branch in Pennsylvania under this
23 section shall have a change of circumstances so that it no
24 longer satisfies the conditions of subsections (b) and (c)
25 (either by reason of a change in the place in which it is
26 located or by reason of acquisition by a savings and loan
27 holding company or a bank holding company located in a state
28 which does not satisfy the conditions of subsections (b) and (c)
29 of five percent or more of its voting shares, or the power to
30 vote those shares), said [regional] foreign thrift institution

1 or [regional] foreign thrift institution holding company shall
2 divest each Pennsylvania savings bank, savings bank holding
3 company and branch it has acquired or established prior to
4 entering into a voluntary combination which causes such change
5 of circumstances or within one year (or such longer period of
6 not more than an additional year as the department may allow in
7 writing) after the occurrence of an event, other than a
8 voluntary combination, which causes the change in circumstances.

9 (g) Effect of invalidity--The purpose of this section is
10 solely to authorize reciprocal[, regional] interstate operations
11 by savings banks and associations, and this section shall not be
12 construed to authorize any acquisition or the establishment of
13 any branch by any entity located in another state except as
14 expressly provided in this section. In the event that any
15 limitation on the geographical location of entities granted
16 acquisition or branching powers by this section is held to be
17 invalid by a final order of a court which is not subject to
18 further review or appeal, the authorization of this section
19 shall terminate immediately. Any acquisition or branch
20 establishment consummated pursuant to this section prior to such
21 termination shall not be affected thereby.

22 (h) Acquisitions in other states by Pennsylvania savings
23 banks and Pennsylvania savings bank holding companies--A
24 Pennsylvania savings bank or Pennsylvania savings bank holding
25 company which proposes to acquire a thrift institution or thrift
26 institution holding company located in another state shall file
27 an application for approval by the department in such form and
28 upon payment of such fee as the department shall prescribe and
29 shall supplement such application with such additional
30 information as the department may reasonably request. The

1 department shall conduct such investigation as it deems
2 necessary to determine whether to approve or disapprove the
3 application. The investigation shall include consideration of
4 the effects the proposed acquisition would have on the
5 availability, in this Commonwealth, of those banking services
6 and basic transaction account services set forth in subsections
7 (i) and (j). Within sixty days after receipt of the application
8 or within a longer period, not in excess of thirty days, after
9 receipt from the applicant of additional information requested
10 by the department, the department shall approve or disapprove
11 the proposed acquisition and give written notice of its decision
12 to the applicant. In approving an acquisition under this
13 section, the department may place conditions upon such approval
14 and incorporate such terms and agreements as are deemed
15 necessary to effect the purposes of this act.

16 (i) Availability of banking services--The department shall
17 have the authority to assure that interstate thrift acquisitions
18 authorized by this section will not diminish reasonable
19 availability of banking services to all segments of the public
20 and economy of this Commonwealth, with special emphasis on
21 economic development and the financing of enterprises to the end
22 that employment opportunities will be either increased or, where
23 there is the prospect of reduction, retained. Upon receipt of an
24 application for approval of an acquisition by an institution or
25 company located in another state under subsection (b) or
26 approval of an acquisition in another state by a Pennsylvania
27 savings bank or savings bank holding company under subsection
28 (h), the department shall review the credit practices and
29 policies of each Pennsylvania savings bank or savings bank
30 holding company which is involved in the proposed transaction.

1 Such review shall determine the overall performance of such
2 company or institution in providing credit and financial
3 services to individuals and business enterprises in the
4 communities which it serves in the light of its role as a thrift
5 institution, its resources, its capital and its income, the
6 particular needs of such communities, competition and
7 alternative sources of credit. With respect to individuals,
8 there shall be a review of consumer loans, residential
9 mortgages, home improvement loans and student loans,
10 particularly to residents of low-income and moderate-income
11 neighborhoods. With respect to business enterprises, there shall
12 be a review of extensions of credit and investments intended to
13 promote economic development and creation, or retention where
14 there is the prospect of reduction, of employment opportunities,
15 including, without limitation, Small Business Administration and
16 other small business loans, industrial development loans,
17 financing of employe stock option plans and leveraged buyouts of
18 businesses by employes, financing of nonprofit community
19 development projects, loans and investments intended to maintain
20 existing businesses and to encourage economic expansion and job
21 opportunities, and loans and investments to promote
22 participation by businesses in this Commonwealth in
23 international trade and to increase exports. The review by the
24 department shall also include all other activities of the
25 institution or company deemed to be suitable to its particular
26 circumstances and the communities served. If the department
27 determines that the overall performance of the institution or
28 company has not been materially deficient and that it justifies
29 the conclusion that the institution or company does and will
30 provide suitable credit and financial services to its

1 communities, it may approve the application without imposing any
2 terms or conditions but otherwise may impose such terms and
3 conditions as it deems appropriate to improve such overall
4 performance over a stated period of time. The department shall,
5 from time to time, review the continuing overall performance of
6 each such institution or company after an acquisition and, if it
7 finds that its overall performance has not continued to be
8 satisfactory, shall issue such order to the applicant as it
9 deems appropriate.

10 (j) Availability of basic transaction account services--The
11 department shall have the authority to assure that thrift
12 institution holding companies and thrift institutions that
13 become part of interstate banking organizations by reason of
14 acquisitions requiring approval under this section make basic
15 transaction account services available to the public. For this
16 purpose the department shall obtain, from all sources available
17 to it or through such studies as it may commission, adequate
18 information to determine:

19 (i) The needs of the public and, in particular,
20 individuals with low or moderate income, for a basic checking
21 or other transaction account.

22 (ii) The principal characteristics that such an account
23 should have, such as the number of checks, deposits and other
24 items for which a minimum charge may be made, the amount or
25 rate of such minimum charge and the forms of identification
26 that may be required for opening and using such an account.

27 (iii) The existing availability of basic accounts with
28 some or all of such principal characteristics currently
29 offered by depository institutions, including applicants
30 under this section, in separate communities of this

1 Commonwealth.

2 An applicant shall, at the request of the department, supply
3 information to the department with respect to such accounts
4 offered by the applicant and by each institution which is a
5 subsidiary of the applicant. The department may approve an
6 application prior to the time it has acquired the information
7 required by this section, but the applicant and each institution
8 which is a subsidiary of the applicant shall be subject, both
9 before and after an approval of the acquisition under this
10 section, to requirements imposed by the department, from time to
11 time, to assure to the public, in the communities served by the
12 institution, the continuing availability of the basic
13 transaction account services which the department has determined
14 the public needs.

15 (k) Advisory Commission--For the purpose of advising the
16 department in the conduct of its functions under subsections (i)
17 and (j), the advisory commission established by section 116(k)
18 is empowered and directed to provide information, opinions and
19 recommendations as to guidelines the department may establish,
20 from time to time, for the purpose of determining the overall
21 performance of an institution or company under subsection (i)
22 and the availability of basic transaction account services under
23 subsection (j). All decisions and determinations made under this
24 section shall be made by the department.

25 Section 3. Section 504(b)(xiii) of the act, amended December
26 21, 1988 (P.L.1416, No.173), is amended to read:

27 Section 504. Investments

28 * * *

29 (b) Authority under this act or other statutes--Except as
30 otherwise provided in its articles, a savings bank may, in

1 addition to investments authorized by its articles, other
2 provisions of this act or other statutes, make investments in:

3 * * *

4 (xiii) in the case of a savings bank which has elected
5 to exercise the conditional powers provided in section 513,
6 capital stock, securities or other obligations of any service
7 corporation, subject to the following limitations:

8 (A) the entire capital stock of the service
9 corporation shall be available for purchase by, or be
10 transferable to, only savings banks, savings and loan
11 associations organized under the laws of this
12 Commonwealth, Federal savings banks and savings and loan
13 associations having their home offices in this
14 Commonwealth, [or] regional thrift institutions, as that
15 term is defined in section 117, or, after March 4, 1990,
16 foreign thrift institutions, as that term is defined in
17 section 117,

18 (B) unless authorized by the department a savings
19 bank shall not have an aggregate outstanding investment
20 in the capital stock, securities or obligations of
21 service corporations the cost of which exceeds three
22 percent of the assets of the savings bank at the time of
23 acquisition of such stock, securities or obligations,

24 (C) a service corporation qualifying for investment
25 under this subsection may engage in the following
26 activities:

27 (1) originating, purchasing, selling and
28 servicing loans upon real estate and participating
29 interests therein,

30 (2) performing clerical, bookkeeping,

1 accounting, statistical or similar functions,
2 primarily for financial institutions,

3 (3) acquisition and development of real estate,
4 principally for construction of housing or for resale
5 to others for such construction or for use as mobile
6 home sites, either separately or in conjunction with
7 others provided that such development shall be
8 completed within five years of the commencement of
9 development, unless that period is extended by the
10 department,

11 (4) acquiring interests in improved residential
12 real estate and mobile homes to be held for rental,
13 and

14 (5) any other activity authorized by the
15 department by regulation; and

16 * * *

17 Section 4. Section 1609(a)(iii)(B) of the act, amended
18 December 18, 1986 (P.L.1702, No.205), is amended to read:

19 Section 1609. Mergers, Consolidations and Conversions of
20 Savings Banks

21 (a) Authority to merge, consolidate or convert--

22 * * *

23 (iii) upon compliance with the requirements of this
24 section and other applicable law,

25 * * *

26 (B) one or more savings banks may merge or
27 consolidate with a regional thrift institution, and,
28 after March 4, 1990, with a foreign thrift institution,
29 as those terms are defined in and subject to any
30 applicable limits of section 117.

1 * * *

2 Section 5. Section 1808(a)(i) of the act is amended to read:

3 Section 1808. Involuntary Dissolution

4 (a) Issuance of certificate of dissolution by department--In
5 the event that:

6 (i) a certificate of authorization has not been issued to
7 a newly incorporated institution within [two years] one year
8 after the date of its incorporation or such longer time as
9 the department may allow for satisfaction of conditions
10 precedent to the issuance of a certificate,

11 * * *

12 Section 6. This act shall take effect immediately.