

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 1512 Session of 1990

INTRODUCED BY BAKER, LOEPER, SHUMAKER, BRIGHTBILL, PETERSON, HOLL, SCANLON, DAWIDA, SALVATORE AND FATTAH, MARCH 13, 1990

AS REPORTED FROM COMMITTEE ON BUSINESS AND COMMERCE, HOUSE OF REPRESENTATIVES, AS AMENDED, JUNE 12, 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 AUTHORIZING MERGERS OF SAVINGS BANK HOLDING COMPANIES AND  
18 THEIR WHOLLY-OWNED SUBSIDIARY SAVINGS BANKS; and providing  
19 for reciprocal interstate operations for savings banks.

<—

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

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

25 Section 115.1. Mutual Holding Companies

1 (a) In General--Notwithstanding any other provision of this  
2 act, a savings bank organized under this act in mutual form may  
3 reorganize so as to become a holding company by:

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

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

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

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

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

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

28 (A) the plan satisfies the requirements of this act,  
29 and

30 (B) the plan adequately protects the interests of

1 depositors, borrowers and creditors.

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

9 (iv) The department may disapprove any proposed holding  
10 company formation only if:

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

15 ~~(B) the plan unlawfully impairs any ownership rights~~ <—  
16 ~~of depositors of the mutual savings bank,~~

17 ~~(C) (B) such disapproval is necessary to prevent~~ <—  
18 ~~unsafe or unsound practices,~~

19 ~~(D) (C) the financial or management resources of the~~ <—  
20 ~~resulting mutual holding company or the resulting savings~~  
21 ~~bank warrant disapproval, or~~

22 ~~(E) (D) the savings bank fails to furnish the~~ <—  
23 ~~information required under subsection (c)(1).~~

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

30 (d) permitted activities--A mutual holding company may

1 engage only in the following activities:

2 (i) investing in the stock of one or more financial  
3 institution subsidiaries,

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

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

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

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

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

19 (e) Limitations on certain activities of acquired holding  
20 companies--

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

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



1 and phrases when used in this section shall have, unless the  
2 context clearly indicates otherwise, the following meanings:

3 (i) "Acquire"--to acquire (as defined in section  
4 112(a)(i)) five percent or more of the voting stock of an  
5 entity and shall also mean a merger or consolidation or a  
6 purchase of assets and an assumption of liabilities, other  
7 than in the regular course of business.

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

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

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

17 (v) "Entity"--any corporation, partnership, association  
18 or similar organization, including banks and thrift  
19 institutions.

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

26 (vii) "Foreign savings bank"--a savings bank located in  
27 and organized and operating under the laws of a state other  
28 than Pennsylvania.

29 (viii) "Foreign thrift institution"--a foreign savings  
30 bank or a foreign association.

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

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

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

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

12           [(ix)] (xiii) "Regional association"--a savings and loan  
13           association or building and loan association located in and  
14           organized and operating under the laws of a state in the  
15           region and a Federal association, as defined in 12 U.S.C. §  
16           1462(d), that is located in the region.

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

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

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

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

27           [(xiv)] (xviii) "State"--includes the District of  
28           Columbia.

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

30           (A) with regard to a thrift institution, the state

1 in which its deposits are largest; and  
2 (B) with regard to a thrift institution holding  
3 company, a savings bank holding company, a savings and  
4 loan holding company or a bank holding company, the state  
5 in which the total deposits of its subsidiaries,  
6 including commercial banks, are largest.

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

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

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

30 (ii) the acquiring thrift institution or thrift



1 institution holding company and any savings and loan holding  
2 company or bank holding company which directly or indirectly  
3 owns or controls the power to vote five percent or more of  
4 its shares is, in each case, located in a state in the region  
5 or in Pennsylvania, except that the requirement of location  
6 in the region or in Pennsylvania will not be applicable to an  
7 acquisition consummated after March 4, 1990; and

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

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

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

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

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

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

30 (B) the savings bank and any savings and loan

1 holding company or bank holding company which directly or  
2 indirectly owns or controls the power to vote five  
3 percent or more of its shares is, in each case, located  
4 in a state in the region or in Pennsylvania, except that  
5 the requirement of location in the region or in  
6 Pennsylvania will not be applicable with respect to a  
7 branch established after March 4, 1990; and

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

12 (d) Reciprocity requirement--

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

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

1 [regional] foreign thrift institution holding companies  
2 located in that state that are substantially more onerous  
3 than those imposed on the same acquisitions by thrift  
4 institutions or thrift institution holding companies  
5 located in that state; and

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

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

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

1 (iii) The department may determine that the law of  
2 another state is not reciprocal regarding a particular type  
3 of branching or acquisition if the law of that other state  
4 does not allow all Pennsylvania savings banks or,  
5 alternatively, all Pennsylvania savings bank holding  
6 companies to engage on equal terms with each other in the  
7 particular type of branching or acquisition.

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

21 (f) Change in circumstances--If a [regional] foreign thrift  
22 institution or [regional] foreign thrift institution holding  
23 company [located in another state] which has acquired a  
24 Pennsylvania savings bank or Pennsylvania savings bank holding  
25 company or has established a branch in Pennsylvania under this  
26 section shall have a change of circumstances so that it no  
27 longer satisfies the conditions of subsections (b) and (c)  
28 (either by reason of a change in the place in which it is  
29 located or by reason of acquisition by a savings and loan  
30 holding company or a bank holding company located in a state

1 which does not satisfy the conditions of subsections (b) and (c)  
2 of five percent or more of its voting shares, or the power to  
3 vote those shares), said [regional] foreign thrift institution  
4 or [regional] foreign thrift institution holding company shall  
5 divest each Pennsylvania savings bank, savings bank holding  
6 company and branch it has acquired or established prior to  
7 entering into a voluntary combination which causes such change  
8 of circumstances or within one year (or such longer period of  
9 not more than an additional year as the department may allow in  
10 writing) after the occurrence of an event, other than a  
11 voluntary combination, which causes the change in circumstances.

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

25 (h) Acquisitions in other states by Pennsylvania savings  
26 banks and Pennsylvania savings bank holding companies--A  
27 Pennsylvania savings bank or Pennsylvania savings bank holding  
28 company which proposes to acquire a thrift institution or thrift  
29 institution holding company located in another state shall file  
30 an application for approval by the department in such form and

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

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

1 (h), the department shall review the credit practices and  
2 policies of each Pennsylvania savings bank or savings bank  
3 holding company which is involved in the proposed transaction.  
4 Such review shall determine the overall performance of such  
5 company or institution in providing credit and financial  
6 services to individuals and business enterprises in the  
7 communities which it serves in the light of its role as a thrift  
8 institution, its resources, its capital and its income, the  
9 particular needs of such communities, competition and  
10 alternative sources of credit. With respect to individuals,  
11 there shall be a review of consumer loans, residential  
12 mortgages, home improvement loans and student loans,  
13 particularly to residents of low-income and moderate-income  
14 neighborhoods. With respect to business enterprises, there shall  
15 be a review of extensions of credit and investments intended to  
16 promote economic development and creation, or retention where  
17 there is the prospect of reduction, of employment opportunities,  
18 including, without limitation, Small Business Administration and  
19 other small business loans, industrial development loans,  
20 financing of employe stock option plans and leveraged buyouts of  
21 businesses by employes, financing of nonprofit community  
22 development projects, loans and investments intended to maintain  
23 existing businesses and to encourage economic expansion and job  
24 opportunities, and loans and investments to promote  
25 participation by businesses in this Commonwealth in  
26 international trade and to increase exports. The review by the  
27 department shall also include all other activities of the  
28 institution or company deemed to be suitable to its particular  
29 circumstances and the communities served. If the department  
30 determines that the overall performance of the institution or

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

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

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

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

30 (iii) The existing availability of basic accounts with



1 some or all of such principal characteristics currently  
2 offered by depository institutions, including applicants  
3 under this section, in separate communities of this  
4 Commonwealth.

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

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

28 Section 3. Section 504(b)(xiii) of the act, amended December  
29 21, 1988 (P.L.1416, No.173), is amended to read:

30 Section 504. Investments

1 \* \* \*

2 (b) Authority under this act or other statutes--Except as  
3 otherwise provided in its articles, a savings bank may, in  
4 addition to investments authorized by its articles, other  
5 provisions of this act or other statutes, make investments in:

6 \* \* \*

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

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

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

27 (C) a service corporation qualifying for investment  
28 under this subsection may engage in the following  
29 activities:

30 (1) originating, purchasing, selling and

1 servicing loans upon real estate and participating  
2 interests therein,

3 (2) performing clerical, bookkeeping,  
4 accounting, statistical or similar functions,  
5 primarily for financial institutions,

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

14 (4) acquiring interests in improved residential  
15 real estate and mobile homes to be held for rental,  
16 and

17 (5) any other activity authorized by the  
18 department by regulation; and

19 \* \* \*

20 Section 4. ~~Section 1609(a)(iii)(B)~~ SECTION 1609(A)(III) of ←  
21 the act, amended December 18, 1986 (P.L.1702, No.205), is  
22 amended to read:

23 Section 1609. Mergers, Consolidations and Conversions of  
24 Savings Banks

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

26 \* \* \*

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

29 ~~\* \* \*~~ ←

30 ~~(B) one or more savings banks may merge or~~

1 ~~consolidate with a regional thrift institution, and,~~  
2 ~~after March 4, 1990, with a foreign thrift institution,~~  
3 ~~as those terms are defined in and subject to any~~  
4 ~~applicable limits of section 117.~~

5 (A) ONE OR MORE SAVINGS BANKS, ONE OR MORE FEDERAL <—  
6 SAVINGS BANKS AND ONE OR MORE FEDERAL SAVINGS AND LOAN  
7 ASSOCIATIONS MAY MERGE INTO A SAVINGS BANK, FEDERAL  
8 SAVINGS BANK OR A FEDERAL SAVINGS AND LOAN ASSOCIATION OR  
9 CONSOLIDATE INTO A NEW SAVINGS BANK, A NEW FEDERAL  
10 SAVINGS BANK OR A NEW FEDERAL SAVINGS AND LOAN  
11 ASSOCIATION, [AND]

12 (B) ONE OR MORE SAVINGS BANKS MAY MERGE OR  
13 CONSOLIDATE WITH A REGIONAL THRIFT INSTITUTION, AND,  
14 AFTER MARCH 4, 1990, WITH A FOREIGN THRIFT INSTITUTION,  
15 AS THOSE TERMS ARE DEFINED IN AND SUBJECT TO ANY  
16 APPLICABLE LIMITS OF SECTION 117[.], AND

17 (C) A BUSINESS CORPORATION WHICH OWNS ALL OF THE  
18 ISSUED AND OUTSTANDING SHARES OF A SAVINGS BANK MAY MERGE  
19 INTO SUCH SAVINGS BANK.

20 \* \* \*

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

22 Section 1808. Involuntary Dissolution

23 (a) Issuance of certificate of dissolution by department--In  
24 the event that:

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

30 \* \* \*

1 Section 6. This act shall take effect immediately.