

d. In determining whether a banking institution maintains its principal office or a branch office in a municipality within the meaning of section 19B(3) of the act to which this act is a supplement, a branch office established pursuant to this act shall be disregarded.

e. The right to maintain a branch office established pursuant to this act shall cease and the branch office shall be discontinued when the authority to maintain it under Federal law or regulation ceases.

f. A branch office maintained pursuant to this act shall not be deemed to be a branch as an adjunct of which an auxiliary office may be established.

4. Except as herein otherwise expressly provided, the establishment and maintenance of branch offices on Army, Navy, or Air Force installations shall be subject to all provisions of law otherwise applicable to the establishment and maintenance of branch offices by banks.

C. 17:9A-23.12.
Subject to applicable laws.

5. As used in this act, "bank" includes banks and savings banks as defined in section 1 of the act to which this act is a supplement.

C. 17:9A-23.13.
"Bank" defined.

6. This act shall take effect immediately.

Approved June 3, 1961.

CHAPTER 68

AN ACT to amend "An act concerning banking and banking institutions (Revision of 1948)" approved April 29, 1948 (P. L. 1948, c. 67).

BE IT ENACTED *by the Senate and General Assembly of the State of New Jersey*:

1. Section 69 of the act of which this act is amendatory is amended to read as follows:

Section amended.

69. Limitations on mortgage loans.

C. 17:9A-69.

A. No bank shall make a mortgage loan when the total cost of acquisition by the bank of all real

Limitations on mortgage loans.

property owned by it, other than real property held for the purposes specified in subparagraph (a) of paragraph (5) of section 24, and the total of all principal balances owing to the bank on mortgage loans, less all write-offs and reserves with respect to such real property and mortgage loans, together exceed, or by the making of such loan will exceed, 60% of the time deposits of the bank or 100% of the aggregate of its unimpaired capital stock and its surplus, whichever is the greater. For the purposes of this subsection, principal balances owing to the bank on mortgage loans which are subject to the provisions of subsection A of section 68, other than mortgage loans upon 1-family, 2-family, 3-family and 4-family dwellings, the payment of which is fully insured by the Federal Housing Commissioner, shall only to the extent of 66 $\frac{2}{3}$ % of such balances owing to the bank, be included in the total of all principal balances owing to the bank on mortgage loans, and principal balances owing to the bank on mortgage loans upon 1-family, 2-family, 3-family and 4-family dwellings the payment of which is fully insured by the Federal Housing Commissioner shall, only to the extent of 50% of such balances owing to the bank, be included in the total of all principal balances owing to the bank on mortgage loans. This subsection shall not, however, prevent the renewal or extension of the time for payment of a mortgage loan for the amount due thereon at the time of such renewal or extension.

B. Except as in this article otherwise provided, no bank shall, as sole lender or as a colender, make a loan secured by mortgage on real property or by mortgage on a lease of the fee of real property, nor shall any bank purchase the entire interest or a part interest in any such mortgage, if the making of such loan or the purchase of such interest would cause the total of all unpaid balances secured by a mortgage or mortgages held by the bank as sole owner or as co-owner upon such real property or such leasehold, to exceed the limitations imposed

by this article upon the amount of a mortgage loan which may be made upon the security of such real property or such leasehold.

C. The granting of mortgage loans to any person shall be without regard to race, creed, color, national origin or ancestry. The granting of such loans shall be without discrimination of any nature including, but not limited to, interest rates, terms and duration, because of race, creed, color, national origin or ancestry.

D. When a bank makes a mortgage loan the proceeds of which are to be used to pay, in whole or in part, the cost of constructing a farm or residential building on the mortgaged property, and such loan has a maturity of not more than 9 months, the bank may, at its option to be exercised from time to time, treat such loan either as a mortgage loan for all purposes of this article, or as an unsecured commercial loan. If the bank elects to treat such loan as an unsecured commercial loan, the loan shall be subject to all limitations and requirements applicable to unsecured commercial loans otherwise made, and shall also be subject to all the provisions of this article, except that the principal balance owing to the bank on any such loan shall not be included in the total of all principal balances owing to the bank on mortgage loans for the purpose of determining the limitations imposed by subsection A of this section. No bank shall treat any such loan as a commercial loan as in this subsection provided at any time when the principal balances owing to the bank on all such loans so treated exceed 50% of the aggregate of bank's unimpaired capital stock and its surplus, or if the making of any such loan so treated would cause the principal balances owing to the bank on all such loans so treated to exceed 50% of the aggregate of its unimpaired capital stock and its surplus.

2. This act shall take effect immediately.

Approved June 3, 1961.