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L A W S O F N E W J E R S E Y

RELATING TO

BUILDING AND LOAN AND SAVINGS

AND LOAN ASSOCIATIONS

AMENDMENTS AND SUPPLEMENTS

TO

SAVINGS AND LOAN ACT OF 1946

1947 - 1950

NJ/KA8
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L A W S O F N E W J E R S E Y

relating to

BUILDING AND LOAN AND SAVINGS AND LOAN
ASSOCIATIONS

1947-1950

Chapter 90, Laws of 1947

An Act to amend "An act concerning savings and loan associations and building and loan associations, and revising chapter twelve of Title 17 of the Revised Statutes," approved April fourth, one thousand nine hundred and forty-six (P. L. 1946, c. 56).

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

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

78. Loans. Investments in loans may be made as follows:

(1) Mortgage loans. In direct reduction, sinking fund, and straight mortgage loans. Each such loan shall be evidenced by an obligation and secured by a mortgage which shall be a first lien, except as to current taxes, on real estate in this State, or outside of the State if located within fifty miles of the principal office of the association. Such loans shall be on real estate used or to be used wholly or partially for dwelling purposes. An association may hold one or more subsequent mortgages on real estate; provided, it also holds all prior encumbrances, except current taxes, thereon. If the proceeds of any such loan are used in whole or in part to improve the mortgaged real estate, they may be advanced in installments as the construction of a building or the making of other improvements thereon progresses and the

value of the contemplated improvement may be included in arriving at the appraised value of the property.

Each direct reduction loan shall require periodical payments sufficient to pay the principal and interest of the loan in full in a period of twenty years or less. Any association may by agreement with the borrowing member reduce the amount of periodical payments, but the amount of the periodical payments thereafter required shall be sufficient to pay the balance of the loan and interest thereon within a period of twenty years or less from the time of making such agreement. Each sinking fund loan shall require periodical payments, at least monthly, on an account pledged as collateral security for such loan which shall be sufficient to pay such loan in a period of twenty years or less. Any association may by agreement with the borrowing member provide for the application of such account to the principal of the loan and for a reduction in the periodical payments required on an account thereafter; provided, however, that such periodical payments thereafter required shall be sufficient to retire the loan in a period of twenty years or less from the time of the making of such agreement. The amount of any direct reduction loan or sinking fund loan, less the withdrawal value of any account which may be pledged as collateral security therefor, shall not exceed eighty per centum (80%) of the value of such real estate as found by appraisal at the time when the loan is granted.

The term of any straight mortgage loan shall not exceed three years. The amount of any such straight mortgage loan shall not exceed fifty per centum (50%) of the value of the property as found by appraisal at the time the loan is granted. An association may renew any straight mortgage loan held by it for a period not exceeding three years and for amounts not in excess of fifty per centum (50%) of the value of the real estate as found by appraisal at the time of such renewal. The total amount invested in straight mortgage loans by any association shall not exceed ten per centum (10%) of its assets at the time

any such investment is made.

(2) Improvement or repair loans. In addition to loans to members for the repair, alteration, or improvement of real estate owned by such members, upon which the lending association already holds a mortgage lien. If the mortgage already held by the lending association secures payment of a direct reduction loan, such additional loan shall not exceed the sum of one thousand dollars (\$1,000.00) or the amount which has been repaid in reduction of the principal of such mortgage loan, whichever is less. If the mortgage already held by the lending association secures payment of a sinking fund loan, such additional loan shall not exceed the sum of one thousand dollars (\$1,000.00) or the withdrawal value of the installment account which is pledged as collateral security for the payment of such sinking fund loan, whichever is less. Each such additional loan shall be evidenced by an obligation which shall state the terms on which such loan is made, and the amount thereof shall be added to the amount due on the association's mortgage against such real estate, and payment thereof shall be secured thereby. All persons who acquire any rights in, or liens upon, the mortgaged real estate subsequent to the recording of any association's mortgage shall hold such rights and liens subject to the association's right to make such additional loans. For the purpose of such additional loans, no search or examination of the title to the mortgaged real estate shall be required. The power to make such additional loans is in addition to, and not to the exclusion of, the power to make any other lawful loan.

(3) Camp meeting leaseholds. In any obligation secured by first mortgage on any leasehold estate of real estate in this State of any camp meeting association, to the extent authorized by, and subject to, the limitations and restrictions contained in section 17:2-1 of the Revised Statutes.

(4) Purchase of loans. In the purchase of any loan which an association is authorized to make.

(5) Account loans. In loans secured by a pledge

of a member's account. No such loan shall exceed the withdrawal value of the pledged account, less interest thereon for a period of six months.

(6) Guaranteed loans. In loans guaranteed or insured in whole or in part by the United States of America or the State of New Jersey any instrumentality or agency of either of them, or for which a commitment to so guarantee or insure has been made. Such loans shall not be subject to the limitations defined in section seventy-eight subdivision (1) and section eighty-two of this act. Such loans shall include only those which are made for the purchase or improvement of real estate, or for the construction, alteration, repair, or improvement of buildings erected thereon, used or to be used, wholly or partially for dwelling purposes, in which case they may or may not be secured by mortgages; or those which may be made for any other purpose provided they be secured by a mortgage on real estate used or to be used wholly or partially for dwelling purposes. The real estate in connection with which any such loan is made shall be located in this State, or outside of the State if located within fifty miles of the principal office of the association.

2. This act shall take effect immediately.

Approved April 30, 1947.

Chapter 300, Laws of 1947

An Act to amend "An act concerning savings and loan associations and building and loan associations, and revising chapter twelve of Title 17 of the Revised Statutes," approved April fourth, one thousand nine hundred and forty-six (P. L. 1946, c. 56).

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

1. Section seventy-nine of the act of which this

act is amendatory is amended to read as follows:

79. Other investments. Securities. An association may invest as follows:

(1) Obligations of the United States. In obligations of or guaranteed as to principal and interest by, the United States of America.

(2) Federal Home Loan Bank Stock. In stock of the Federal Home Loan Bank, of which it is eligible to be a member; and in other obligations of any Federal Home Loan Bank or Banks or of the Federal Home Loan Bank System.

(3) Participation in mortgage loans. In the investment in participating interests in mortgage loans. The mortgage which secures payment of any such participating interest shall be a lien upon real estate in this State used or to be used wholly or partially for dwelling purposes and shall conform with the limitations, conditions and requirements set forth in this article regulating direct reduction mortgage and straight mortgage loans, with respect to priority of lien, the percentage of such loan to the appraised value of the mortgaged property, and the terms of repayment of such loan. Such participating interest shall entitle the association to share all money and other benefits derived from such mortgage loan, or incidental thereto, pro rata with, or with preference and priority over, the holder of any other participating interest therein. The total amount invested in such participating interests by any association shall not exceed ten per centum (10%) of its assets at the time any such investment is made.

(4) Accounts of other associations. In accounts of any insured association of this State and of any Federal association whose principal office is located in this State; provided, that no such investment shall be made in excess of the amount for which such account is insured by the Federal Savings and Loan Insurance Corporation.

(5) Savings banks' investments. In any investment in which savings banks of New Jersey are or shall be authorized to invest by any law of this State, other

than investments which are, or which hereafter shall be, specifically designated and regulated by this act; provided, however, no funds may be invested pursuant to this subsection which are required for authorized loans to members.

(6) Loans on securities. In loans upon obligations secured by the pledge of any security designated in subsections (1) and (5) of this section; provided, that such loans shall not exceed eighty per centum (80%) of the market value of the security pledged as collateral; and provided further, that no funds may be invested pursuant to this subsection which are required for other authorized loans to members.

(7) Central Corporation. In the capital stock, securities, debentures or other obligations of a single corporation organized under the laws of the State of New Jersey, the entire capital stock of which corporation shall be open to, subscribed for, and issued to associations of this State and such Federal associations that have their principal offices in this State; provided, however, that the original capital stock of such corporation shall aggregate at least two hundred thousand dollars (\$200,000.00) from subscriptions and payments by at least ten of the aforementioned associations; and provided further, that no association, aforementioned, may invest its funds under this subsection in an amount exceeding five per centum (5%) of its assets at the time of such subscription, payment or investment, except with the approval of the commissioner.

2. This act shall take effect immediately.

Approved June 18, 1947.

Chapter 59, Laws of 1948

An Act to amend "An act concerning savings and loan associations and building and loan associations, and revising chapter twelve of Title 17 of the Revised Statutes," approved April fourth, one thousand nine hundred and forty-six (P. L. 1946, c. 56).

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

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

83. Restrictions on Investments.

(1) No association shall make any of the investments authorized by this act, except those authorized by section seventy-eight, subdivision five and section seventy-nine, subdivisions one and two of this act, if and so long as, the sum of its cash on hand and in banks and the value of its investments in obligations of the United States of America, which either are due and payable in ten years or less or which may be redeemed at the option of the holder at a fixed redemption value prior to maturity, is less than five per centum (5%) of its total assets.

(2) No association shall make any of the investments authorized by this act, except investments authorized by section seventy-nine, subdivisions one and two of this act at any time when any application for withdrawal remains unpaid in whole or in part, six months after the date of the filing thereof.

2. This act shall take effect immediately.

Approved April 29, 1948.

Chapter 69, Laws of 1948

An Act concerning savings and loan associations, and supplementing "An act concerning savings and loan associations and building and loan associations, and revising chapter twelve of Title 17 of the Revised Statutes," approved April fourth, one thousand nine hundred and forty-six (P. L. 1946, c. 56).

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

1. Any savings and loan association of this State may receive money for transmission and may transmit such money through the Federal Home Loan Bank of New York, or through any bank or trust company, and may sell money orders and travel checks as agent for any person empowered to sell such instruments through an agent within the State of New Jersey.

2. This act shall take effect immediately.

Approved May 7, 1948.

Chapter 70, Laws of 1948

An Act to amend "An act concerning savings and loan associations and building and loan associations, and revising chapter twelve of Title 17 of the Revised Statutes," approved April fourth, one thousand nine hundred and forty-six (P. L. 1946, c. 56).

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

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

27. Specific Powers. Without limiting the generality of the foregoing, every association shall have power to:

- (1) Have succession by its corporate name for the period limited in its charter or certificate of incorporation, and when no period is limited, perpetually.
- (2) Sue and be sued in any court.
- (3) Adopt and use a common seal and alter the same.
- (4) Purchase and otherwise acquire, hold, mortgage, pledge, lease, exchange, sell, convey and otherwise dispose of, any real and personal property, necessary or incidental to its operations and consistent with its powers and purposes.
- (5) Insure its members' accounts with the Federal

Savings and Loan Insurance Corporation, and comply with conditions necessary to obtain such insurance.

(6) Become a member of or stockholder in a Federal Home Loan Bank and to that end to comply with all conditions of membership therein.

(7) Act as agent for the United States or the State of New Jersey or any instrumentality of either of them, when designated for that purpose, and perform such reasonable duties as such agent as may be required of it.

(8) Join any co-operative league organized for the purpose of protecting and promoting the welfare of associations and their members and comply with all conditions of membership therein.

(9) Borrow money from any source in or out of the State, on the note, bond and mortgage or other obligation of the association upon such terms and conditions as the board may from time to time prescribe by resolution adopted by at least a majority of all the members of the board and duly recorded on the minutes and to pledge, assign or transfer mortgages, owned by the association and the obligations secured by such mortgages, together with the shares, if any pledged as collateral security therefor, or any real or other personal property, as security for the repayment of money so borrowed. No association shall borrow money if by doing so the aggregate of its indebtedness for borrowed money other than to the Federal Home Loan Bank will exceed twenty per centum (20%) of its capital, except with the approval of the commissioner.

(10) Take from its members, a premium for priority or privilege of loan or acquisition of real estate and no premium so taken shall be deemed usurious. The rate of premium may be agreed upon or be determined by auction.

(11) Require an advance payment of interest for a period of one month on any loan; and accept advance payments of interest, if made at the option of the debtor, for any period on any loan. None of such payments shall be deemed usurious.

(12) Where shares are issued, charge an admission

fee, not to exceed twenty-five cents (\$0.25) per share, which shall include the cost of the membership or share certificate and account book.

(13) Impose fines or charges upon a member for failure to make any payment to the association when due, but only as provided in this paragraph. Where the association issues installment share accounts it may impose such charge upon any member holding such an account or any borrower upon a sinking fund mortgage not in excess of one per centum (1%) a month upon the amount in arrears, except for the first month's arrearage or the amount by which such first month's arrearage may be increased by subsequent arrearage in which case a charge not in excess of five per centum (5%) may be imposed. Such charges shall be subject to the further limitations that no such charge shall be deducted from any amount actually paid by a member upon an account nor shall the total of any such charges against any account in any fiscal year exceed the amount that may be charged for failure to make any payments for a six month period nor shall any charge for default be made on a charge for default. Otherwise an association may impose a fine or charge for failure to make any required payment to it when due upon any loan or contract for the resale of real estate to a member not to exceed two per centum (2%) of the amount of each payment in arrears nor shall more than one such charge be made with respect to any one payment in arrears. None of such charges shall be deemed usurious.

(14) Compute interest upon any direct reduction loan, on designated payment dates, and add the same to the unpaid balance of such loan.

(15) Act as agent for any person where such agency will further the interests of the association and its members, subject to such limitations as may be prescribed by the commissioner.

(16) Adopt, alter, contract for or rescind a plan or plans providing for the retirement of its officers and employees and for the payment to them for life or for a period certain of such retirement benefits within the limits prescribed by this subsection as may be set

forth in a plan or plans adopted by the board. If such a plan provides for the payment of such benefits for a period certain, it may also provide that if such officer or employee shall die before the expiration of such period, the benefits shall be paid for the remainder of such period to the beneficiary designated by such officer or employee in the manner provided by such plan. Any retirement plan adopted shall provide that upon the termination of employment for any cause other than retirement pursuant to such plan or upon death prior to such retirement that the officer or employee or the beneficiary designated by him shall be entitled to receive so much of the incidents of ownership thereof as shall have been purchased by his contributions and in addition thereto so much of the incidents of ownership thereof as shall have been purchased by the association for his benefit as shall be provided in such plan. Without limiting the generality of the type of retirement plan or plans an association may adopt, a retirement plan adopted may provide for: (1) a fund accumulated from income of the association or set aside from the undivided profits account of the association, out of which retirement benefits may be paid directly or which may be used in whole or in part for the purchase of annuity or insurance contracts, or both; and to which officers and employees may make contributions; or (2) the purchase of group annuity or group insurance contracts, or both, the premiums upon which may be paid in full by the association, or in part by the association and in part by its officers and employees, as the board may from time to time determine. No officer or employee of any association shall be eligible to receive payment of retirement benefits unless:

(1) such officer or employee has attained the age of at least sixty years and has served the association as an officer or employee or both for not less than fifteen years, or

(2) such officer or employee has attained the age of at least fifty years, has served the association as an officer or employee or both for

not less than ten years, and has become incapacitated from any cause from continuing his duties as such officer or employee, or

(3) such officer or employee has served the association as an officer or employee or both, for not less than fifteen years, and has become incapacitated from any cause from continuing his duties as such officer or employee.

No association shall pay or contract for the payment or adopt a plan providing for the payment of any annual retirement benefit which shall exceed (1) sixty per centum (60%) of the average annual salary paid during the last thirty-six months of service preceding retirement or (2) one-sixth of one per centum ($1/6$ of 1%) of such annual salary multiplied by the number of months of service, whichever is less; provided, that nothing in this provision shall prevent the payment of greater benefits if the officer or employee contributes the premium or other charges for the purchase or return of benefits in excess of the maximum limited by this subsection. Any payments required to establish a retirement fund out of which benefits may be paid directly or to provide for prior service credits under the proposed retirement plan or for any proper purpose in connection with the establishment or maintenance of a retirement plan may with the approval of the commissioner be appropriated from the undivided profits account and shall not be subject to the provisions of section thirty-eight of this act. In the event of merger of two or more associations, any retirement plan in effect in a merging association may with the approval of the commissioner and the board of the receiving association be assumed by the receiving association, and periods of service necessary to qualify for retirement under the limitations of this subsection shall be calculated from date of the employment with the merging association and not from the date of merger. Every retirement plan adopted or altered shall before it is placed in operation, be submitted to the commissioner for his approval. The commissioner shall approve such plan or alterations

thereof unless he shall find (1) it does not conform to law, or (2) its adoption or alteration would be hazardous to the association, or (3) its provisions are unfair or inequitable. Notwithstanding any other provisions of this subsection, an association, with the approval of the commissioner, may adopt any plan for retirement or disability benefits for its officers or employees in accordance with any plan sponsored by any Federal Home Loan Bank of which it is a member. In addition to the powers to adopt retirement plans as set forth in this subsection, an association may pay reasonable amounts for reasonable periods to officers and employees who are retired and who are not eligible for retirement benefits under such retirement plan as may be adopted or in the event that no retirement plan is in effect at the date of retirement. Any association may at any time discontinue its participation in a retirement plan and terminate any and all prospective liability in connection therewith, by giving at least thirty days' written notice of its intention so to do to the officers and employees who will be affected thereby.

2. This act shall take effect immediately.

Approved May 7, 1948.

Chapter 95, Laws of 1948

An Act to amend "An act concerning savings and loan associations and building and loan associations, and revising chapter twelve of Title 17 of the Revised Statutes," approved April fourth, one thousand nine hundred and forty-six (P. L. 1946, c. 56).

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

1. Section thirteen of the act of which this act

is amendatory is amended to read as follows:

13. Contents of certificate of incorporation. The incorporators shall personally sign and prove or acknowledge as required for deeds of real estate a certificate of incorporation, which shall state:

(1) The name of the association, which shall contain the words "savings and loan association." The name shall not be one already in use by another association in this State, nor one so similar thereto as to deceive the public or lead to uncertainty or confusion and this provision shall be subject to any law restricting or prohibiting the use of the word "bank" or "banker" or "banking"; provided, however, that any association organized under this act may make representations describing its powers, services or functions provided for in this act.

(2) The name of the municipality in this State where the association's office for the transaction of its business will be located.

(3) That it is incorporated to operate as an association pursuant to this act for the purposes herein stated.

(4) The name, residence (including street and number, if any) post-office address and occupation of each incorporator.

(5) The initial amount which each incorporator agrees to invest in the association before it commences business.

2. This act shall take effect immediately.

Approved May 28, 1948.

Chapter 401, Laws of 1948

An Act to amend "An act concerning savings and loan associations and building and loan associations, and revising chapter twelve of Title 17 of the Revised Statutes," approved April fourth, one thousand nine hundred and forty-six (P. L. 1946, c. 56).

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

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

39. Bonds required. The board shall require the secretary, treasurer, attorney, conveyancer and every other officer, director, employee, or agent handling or having the custody or charge of money, securities, books or records belonging to the association, before entering upon his duties, to be bonded in adequate amount and with good and sufficient surety, which shall be a surety company authorized to transact business in this State, and such bonds shall be approved by the board. The board shall examine annually all the bonds and pass on their sufficiency, and, if insufficient, immediately require new or additional bonds. The failure of any person to furnish, or qualify for, such bond shall be ground for his summary removal by the board. The commissioner may at any time order the bond of any such person to be increased. In lieu of such individual bonds, the board may procure a blanket bond providing the same protection to the association. The association may pay the premiums on any and all such bonds. No bond shall be deemed to comply with the requirements of this section unless such bond contains a provision that it shall not be cancellable for any cause unless notice of intention to cancel is filed in the Department of Banking and Insurance at least five days before the day upon which cancellation shall take effect.

2. This act shall take effect September sixteenth, one thousand nine hundred and forty-eight.

Approved September 13, 1948.

Chapter 58, Laws of 1949

An Act to amend "An act concerning savings and loan associations and building and loan associations, and revising chapter twelve of Title 17 of the Revised Statutes," approved April fourth, one thousand nine hundred and forty-six (P. L. 1946, c. 56).

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

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

101. Bookkeeping methods and accounting practices; destruction of books, records, et cetera. The commissioner may adopt rules and regulations with respect to bookkeeping methods and accounting practices designed to produce safety of operation and each association and its officers and employees shall comply therewith. The commissioner may also adopt rules and regulations permitting the destruction of books, records, certificates, documents, reports, correspondence and other instruments, papers and writings of an association, which, because of age or other reasons, need not be preserved.

2. This act shall take effect immediately.

Approved April 28, 1949.

Chapter 73, Laws of 1949

An Act to amend "An act concerning savings and loan associations and building and loan associations, and revising chapter twelve of Title 17 of the Revised Statutes," approved April fourth, one thousand nine hundred and forty-six (P. L. 1946, c. 56).

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

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

32. Officers' powers. Each officer in addition to such powers and duties as usually pertain to his office shall have such powers and duties as the by-laws may provide and as may be delegated to him by the board. All checks, notes and drafts of the association shall be signed by at least two of its officers, except that if application is made to the commissioner by any association and if the commissioner approves, any such instruments in the amount of one hundred dollars (\$100.00) or less may be signed by one officer. The commissioner may, in granting such approval, condition it upon the establishment of such controls as he deems appropriate.

2. This act shall take effect immediately.

Approved May 5, 1949.

Chapter 87, Laws of 1950

An Act to amend "An act concerning savings and loan associations and building and loan associations, and revising chapter twelve of Title 17 of the Revised Statutes," approved April fourth, one thousand nine hundred and forty-six (P. L. 1946, c. 56).

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

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

101. Bookkeeping methods and accounting practices; destruction of books, records, et cetera. The commissioner may adopt rules and regulations with respect to bookkeeping methods and accounting practices designed to produce safety of operation and each association and its officers and employees shall comply therewith. The commissioner may also adopt rules and regulations

permitting the destruction of books, records, certificates, documents, reports, correspondence and other instruments, papers and writings of an association, which, because of age or other reasons, need not be preserved; provided, however, that any association may make a photographic copy of any of its documents and records relating to the accounts of its members and the operation of its business, other than its notes, bonds, mortgages and other securities and investments, and may substitute the photographic copy for the original thereof. Thereafter the photographic copy or a positive print thereof, if the same be a negative, shall be deemed for any and all purposes to be an original counterpart of the original thereof and the association may destroy or otherwise dispose of the original; but no photographic copy of any payment slip relating to the account of any member and no photographic copy of any withdrawal order relating to the savings of any member shall be deemed to be an original counterpart of the original thereof until six years after the date appearing on the original which date shall be deemed to be the date appearing on the photographic copy.

Any photographic copy herein described or any positive print thereof, if the same be a negative, may be of the same or a different size than the original thereof, and may be a detached copy thereof, or may be combined in the same film with copies of other documents or records of the said association.

2. This act shall take effect immediately.

Approved May 1, 1950.

Chapter 95, Laws of 1950

An Act to amend "An act concerning savings and loan associations and building and loan associations, and revising chapter twelve of Title 17 of the Revised Statutes," approved April fourth, one thousand nine hundred and forty-six (P. L. 1946, c. 56).

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

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

97. Possession and operation by commissioner.

(1) Commissioner's authority. The commissioner may forthwith take charge of the association and possession of all its real and personal property, books and records, and continue the operation of its business until such possession and management shall be returned to its board, or until such association shall merge, reorganize or dissolve and commence liquidation.

(2) Purpose of possession and operation by commissioner. The purpose of the commissioner's management of an association and operation of its business and possession of its assets, shall be to enable him to determine, within one year from the date when he undertakes such management, whether it is for the best interests of its creditors, members and the public that the association should be continued as a going concern, or should be merged, reorganized or dissolved and liquidated.

(3) Return of management and possession. The commissioner may return the management of an association to its board and the possession of its property to the association at any time after he has taken charge and possession thereof, upon such terms and conditions, if any, as he may prescribe.

(4) Powers of commissioner in possession. The commissioner shall have full and complete powers necessary to enable him to determine promptly and efficiently whether it is for the best interests of the association's creditors, members and the public that it be continued as a going concern or that it be merged, reorganized or dissolved and liquidated. Without limiting the generality of his powers, he shall have power to:

(a) Continue the operation of the association's business.

(b) Conserve its assets and business.

- (c) Pay its debts and operating expenses.
- (d) Collect moneys due to it.
- (e) Compromise and settle claims by and against it.
- (f) Exercise any power conferred by this chapter on the association or its board.
- (g) Call meetings of its members.
- (h) Submit for the approval of its members any terms which he sees fit to recommend with respect to merger, reorganization or dissolution and liquidation.

(5) Appointment and compensation of counsel and assistants. The commissioner may, from time to time, appoint one or more special assistant deputy commissioners of banking and insurance, who may or may not be employees in the department as the commissioner shall determine, as agent or agents, to assist him in administering the business and affairs of any association of which he has taken possession, and he may, from time to time, hire such employees and assistants as he shall deem necessary to the proper administration of the business and affairs of such association, including officers and employees of the association. He may further, notwithstanding any other provision of the law, appoint an attorney or a counsellor-at-law of this State, who need not be a member or an employee of the department of law of this State, to represent and advise him and to act as counsel in the administration of the business and property of the association. He may further, at the expense of the association, obtain such security for the faithful performance of the duties of such assistant deputy commissioners, counsel, and other employees as he shall deem necessary. Appointments of special assistant deputy commissioners and counsel made pursuant to this subsection shall be evidenced by a writing signed by the commissioner and filed in the department.

The compensation of the special assistant deputy commissioners, counsel, and of all other persons engaged in the administration of the business and affairs of such association, shall be fixed by the commissioner,

subject to the approval of the Court of Chancery as hereinafter provided, and shall, upon the certificate of the commissioner, be paid out of the funds of the association.

(6) Segregation and application of money paid after commissioner takes possession.

(a) All moneys, which shall be paid on any unpledged account or shares of an association after the commissioner has taken charge of such association and possession of its assets, shall be segregated from all other receipts, and held in trust, until the property and business of the association shall be returned to the management of its board, or until it shall merge, reorganize, or dissolve. Upon the happening of any such events, such moneys shall, without any impairment whatever and at the option of each person who shall have paid the same either be repaid to him or credited to his account.

(b) All moneys, which shall be paid on any indebtedness due to the association, or on any account which shall be pledged for the payment of any such indebtedness, after the commissioner has taken charge of such association and possession of its assets, shall be applied without impairment directly to the payment of such indebtedness.

(7) Effect of commissioner's possession on rights of third persons. Upon taking charge of an association and possession of its property, the commissioner shall give notice thereof forthwith to all persons holding or having possession of any assets of the association. No person having knowledge or notice that the commissioner has taken charge of an association shall thereafter acquire any lien upon any of the association's assets for any payment advanced, or clearance thereafter made. Upon taking charge of an association by the commissioner, all judgments, decrees, levies and executions against such association's property shall be stayed, unless otherwise ordered by the Court of Chancery.

(8) Financial statements by commissioner. At least annually, and upon the termination of his possession of the assets of an association, the commissioner shall submit a financial statement and report of the affairs of each association in his possession, or in liquidation by him to each of the members thereof. Such statement and report shall include a statement of assets and liabilities, a statement of operations, including an itemized statement of all fees and salaries paid to each special assistant deputy commissioner, agent and counsel of such association, and a statement showing the extent of the liquidation of its assets and the application of the proceeds thereof. The first such report shall be submitted to the members not later than one year from the date when the commissioner takes possession, or in the case of an association in possession of the commissioner, when this act takes effect, not later than one year from such effective date.

(9) Dissolution. Liquidation. Action by members. If the commissioner determines that it is for the best interests of the members and the public that the association be dissolved and liquidated, he shall after paying all claims which have been proved and allowed against the association, call a meeting of the members on ten days' notice, stating the object thereof, at which the members shall determine whether the affairs of the association shall be managed and directed, during the liquidating period, by the commissioner or by three trustees, who shall be members and who shall be elected at such members' meeting. All questions submitted to the members at such meeting shall be decided by a majority of the votes cast, by person or by proxy.

Upon the adoption of such resolution by the members, the association shall be deemed to be dissolved and it shall be liquidated in accordance with the provisions of Article XIX. The commissioner or the trustees, as the case may be, shall have all the powers and duties conferred and imposed upon trustees by the provisions of Article XIX, and subject to such restrictions as may therein be contained.

(10) Appeal to court from commissioner's action. If when an association, of whose property and business the commissioner has taken possession as aforesaid, or any member thereof, deems itself or himself aggrieved by any act of the commissioner, or any failure of the commissioner to act, while he is in charge of the affairs of the association and in possession of its assets, the association or such member, may file a petition in the Court of Chancery for appropriate relief. The court, upon notice to the commissioner, shall hear and determine the matter in a summary manner and enjoin or compel further proceedings or action by the commissioner, and make such other order or decree as shall be equitable and just.

(11) Disposition of unclaimed funds due to members and creditors. If any liquidating dividend due to any member or any amount due to any creditor, remains in the hands of the commissioner for a period of six months after the date of the order for final distribution, such moneys shall be paid by the commissioner into the Superior Court with a statement reciting the name, the last known address and the amount due to each member or creditor who has failed to take payment of the distributive share due him, and to be there held for the benefit of those entitled thereto, or otherwise disposed of by order of that court.

(12) Liquidation and accounting by commissioner. On making application to the court for approval of expenses of administration as provided by subsection five, the commissioner shall file in the said court an accounting of the administration of the association's affairs from the date upon which possession thereof was taken, including an accounting of the administration of the association's affairs by the commissioner's predecessor or predecessors in office, where such possession was initially taken by such predecessor. Accountings subsequent to the first accounting filed pursuant hereto, shall be only for the period elapsed since the last prior accounting filed in the said court, but shall include a summary of the administration of the association's affairs

for the period covered by prior accountings. Upon the filing of the application and the accounting, the court shall make an order directing all members of the association and all claimants entitled to a distributive share of the proceeds of the association's liquidation to show cause, upon at least ten days' notice, why the accounting should not be approved, and why the expenses of administration should not be allowed in the amounts determined by the commissioner. Copies of the order to show cause shall be mailed to members and claimants at their addresses as they appear on the association's records. Where it is made to appear to the court that the members and claimants are so numerous that service of the order to show cause upon each of them is impracticable or will impose unnecessary hardship, the court may by order designate individual members and other claimants to represent the respective classes of members and other claimants, and may direct that service of a copy of the order to show cause shall be made only upon the representatives so designated, and shall, in such case, direct that the order to show cause be printed once at least ten days before the return day, in a newspaper published in the municipality in which the association has its principal office, and, if there be no such newspaper, then in a newspaper published in the place nearest thereto. Upon the return day of the order to show cause, the court shall have jurisdiction to hear and determine summarily all matters arising thereon, and shall make such decree thereon as justice and equity shall require. An appeal from a decree so made shall lie as in other cases in the Court of Chancery; provided, such appeal is taken within thirty days from the filing of the decree. Upon making complete distribution of the proceeds of the liquidation of any association, directed in an order of the Court of Chancery, made pursuant to the provisions of this subsection, the commissioner shall file in the Court of Chancery a statement of such distribution, and shall file in the department, a certificate that such statement has been filed, specifying the date of such filing. Upon the date of the filing of said certificate in the department, the rights, privileges and fran-

chises of said association shall be terminated. A copy of the certificate, certified by the commissioner, shall be evidence in all courts and places.

2. This act shall take effect immediately.

Approved May 1, 1950.

Chapter 285, Laws of 1950

An Act to amend "An act concerning savings and loan associations and building and loan associations, and revising chapter twelve of Title 17 of the Revised Statutes," approved April fourth, one thousand nine hundred and forty-six (P. L. 1946, c. 56).

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

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

78. Loans. Investments in loans may be made as follows:

(1) Mortgage loans. In direct reduction, sinking fund, and straight mortgage loans. Each such loan shall be evidenced by an obligation and secured by a mortgage which shall be a first lien on real estate in this State, or outside of the State if located within fifty miles of the principal office of the association. A mortgage shall be deemed a first lien notwithstanding the existence of a prior mortgage or mortgages held by the association, or liens of taxes or assessments which are not delinquent, building restrictions or other restrictive covenants or conditions, leases or tenancies whereby rents or profits are reserved to the owner, joint driveways, sewer rights, rights in walls, rights of way or other easements, or encroachments which the appraisers signing the appraisal provided for in section

eighty-one, report in their opinion do not materially affect the security for the mortgage loan. Such loans shall be on real estate used or to be used wholly or partially for dwelling purposes. If the proceeds of any such loan are used in whole or in part to improve the mortgaged real estate, they may be advanced in installments as the construction of a building or the making of other improvements thereon progresses and the value of the contemplated improvement may be included in arriving at the appraised value of the property.

Each direct reduction loan shall require periodical payments sufficient to pay the principal and interest of the loan in full in a period of twenty years or less. Any association may by agreement with the borrowing member reduce the amount of periodical payments, but the amount of the periodical payments thereafter required shall be sufficient to pay the balance of the loan and interest thereon within a period of twenty years or less from the time of making such agreement. Each sinking fund loan shall require periodical payments, at least monthly, on an account pledged as collateral security for such loan which shall be sufficient to pay such loan in a period of twenty years or less. Any association may by agreement with the borrowing member provide for the application of such account to the principal of the loan and for a reduction in the periodical payments required on an account thereafter; provided, however, that such periodical payments thereafter required shall be sufficient to retire the loan in a period of twenty years or less from the time of the making of such agreement. The amount of any direct reduction loan or sinking fund loan, less the withdrawal value of any account which may be pledged as collateral security therefor, shall not exceed eighty per centum (80%) of the value of such real estate as found by appraisal at the time when the loan is granted.

The term of any straight mortgage loan shall not exceed three years. The amount of any such straight mortgage loan shall not exceed fifty per centum (50%)

of the value of the property as found by appraisal at the time the loan is granted. An association may renew any straight mortgage loan held by it for a period not exceeding three years and for amounts not in excess of fifty per centum (50%) of the value of the real estate as found by appraisal at the time of such renewal. The total amount invested in straight mortgage loans by any association shall not exceed ten per centum (10%) of its assets at the time any such investment is made.

(2) Improvement or repair loans. In addition to loans to members for repairs, alterations, or improvements already made or to be made, of real estate owned by such members, upon which the lending association already holds a mortgage lien, or to pay the cost of insurance upon the life of such member which policy of insurance may also include health, accident or disability features, the proceeds of such policy to be applied in accordance with its terms and conditions; provided, however, the amount of such life insurance shall not exceed the amount loaned on the mortgage lien held by the association. If the mortgage already held by the lending association secures payment of a direct reduction loan, such additional loan shall not exceed the sum of one thousand dollars (\$1,000.00) or the amount which has been repaid in reduction of the principal of such mortgage loan, whichever is less. If the mortgage already held by the lending association secures payment of a sinking fund loan, such additional loan shall not exceed the sum of one thousand dollars (\$1,000.00) or the withdrawal value of the installment account which is pledged as collateral security for the payment of such sinking fund loan, whichever is less. Each such additional loan shall be evidenced by an obligation which shall state the terms on which such loan is made, and the amount thereof shall be added to the amount due on the association's mortgage against such real estate, and payment thereof shall be secured thereby. All persons who acquire any rights in, or liens upon, the mortgaged real estate subsequent to the recording of any association's

mortgage shall hold such rights and liens subject to the association's right to make such additional loans. For the purpose of such additional loans, no search or examination of the title to the mortgaged real estate shall be required. The power to make such additional loans is in addition to, and not to the exclusion of, the power to make any other lawful loan or any other lawful additional loan, or to make advances for any purpose expressly or impliedly reserved or provided for in any bond, mortgage or other obligation held by or hereafter acquired by any such association.

(3) Camp meeting leaseholds. In any obligation secured by first mortgage on any leasehold estate of real estate in this State of any camp meeting association, to the extent authorized by, and subject to, the limitations and restrictions contained in section 17:2-1 of the Revised Statutes.

(4) Purchase of loans. In the purchase of any loan which an association is authorized to make.

(5) Account loans. In loans secured by a pledge of a member's account. No such loan shall exceed the withdrawal value of the pledged account, less interest thereon for a period of six months.

(6) Guaranteed loans. In loans guaranteed or insured in whole or in part by the United States of America or the State of New Jersey, any instrumentality or agency of either of them, or for which a commitment to so guarantee or insure has been made. Such loans shall not be subject to the provisions of section twenty-seven subdivision (13), section seventy-eight subdivision (1), section eighty-one and section eighty-two of this act. Such loans may be made in accordance with the terms and conditions permitted by the agency guaranteeing or insuring such loans, notwithstanding any other provisions of law limiting interest or other charges or prescribing terms and conditions. Such loans shall include only those which are made for the purchase or improvement of real estate, or for the construction, alteration, repair, or improvement of buildings erected thereon, used or to be used, wholly or partially for

dwelling purposes, in which case they may or may not be secured by mortgages; or those which may be made for any other purpose provided they be secured by a mortgage on real estate used or to be used wholly or partially for dwelling purposes. The real estate in connection with which any such loan is made shall be located in this State, or outside of the State if located within fifty (50) miles of the principal office of the association.

2. This act shall take effect immediately.

Approved July 3, 1950.

LAWS AFFECTING NEW JERSEY BUILDING AND LOAN AND SAVINGS
AND LOAN ASSOCIATIONS - NOT AMENDMENTS OR SUPPLEMENTS
TO THE SAVINGS AND LOAN ACT OF 1946.

Chapter 27, Laws of 1947

An Act concerning investments in bonds secured by mortgage on leasehold of camp meeting associations, and amending section 17:2-1 of the Revised Statutes.

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

1. Section 17:2-1 of the Revised Statutes is amended to read as follows:

17:2-1. All banks, trust companies, savings banks, savings and loan associations, building and loan associations, title and mortgage guaranty companies and insurance companies may invest funds in bonds, secured by first mortgage, on leasehold estates of real estate in this State of camp meeting associations, to the giving of which bond and mortgage the camp meeting association has consented, subject to the conditions of the lease. The real estate, except as to the leasehold, shall be free and clear of all liens and encumbrances of every kind whatsoever, and the leasehold at the time of the giving of the bond and mortgage shall have an unexpired term of not less than twenty-five years, and be a lease of the entire interest in the real estate except the reversion. No investment shall be made in excess of sixty per centum (60%) of the appraised value of the leasehold estate and the improvements thereon; provided, however, that such limitation shall not apply to any loan which is wholly or partially guaranteed or insured by the United States of America, the State of New Jersey or any instrumentality or agency of either. The appraisalment may be made by a committee of the bank, trust company, savings bank, savings and loan association, building and loan association, title and mortgage guaranty company, insurance company, and, in the case of an individual, by two persons appointed by the individual for that purpose. No such investment shall be made until the camp meeting association shall first have been approved for the purpose by the commissioner. For the purposes of this section real estate

upon which there is a building in process of construction, which when completed, will constitute a permanent improvement, shall be construed as improved and productive real estate.

2. This act shall take effect immediately.

Approved March 27, 1947.

Chapter 81, Laws of 1947

An Act concerning the recording and cancellation of mortgages made to building and loan associations, and amending section 46:18-8 of the Revised Statutes.

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

1. Section 46:18-8 of the Revised Statutes is amended to read as follows:

46:18-8. No mortgage given to any building and loan association shall be canceled of record by the county recording officer of any county unless there shall be indorsed upon such mortgage an authorization to cancel the same, over the signatures of at least two officers or assistant officers of such association, with its corporate seal affixed thereto. Upon cancellation, or satisfaction as hereinafter set forth, of such mortgage, the recording officer forthwith shall notify, in writing, the Commissioner of Banking and Insurance, that such mortgage has been canceled, or satisfied and the date of recording of such cancellation, or satisfaction. Said notice shall contain an adequate description of such mortgage, including the names of the parties, date of recording, the book and page wherein such mortgage is recorded, in order to properly identify the same.

When, however, the cancellation of any mortgage mentioned in this section has been authorized and the mortgage has been lost or destroyed before cancellation, the said officers may, under the seal of such corporation, make and deliver a satisfaction piece, duly

acknowledged, to which there shall be attached an affidavit by some person having knowledge of such loss or destruction and setting forth the facts thereof; and, upon the production of such satisfaction piece, with the affidavit attached thereto, to the county recording officer wherein the original mortgage is recorded or registered, such production shall be warrant and authority in law for the cancellation of such lost or destroyed mortgage.

Any mortgage mentioned in this section, after the assignment or transfer thereof by any building and loan association, may, the assignment having been duly recorded, be canceled by the assignee of such mortgage, or any subsequent assignee, whose assignment has been duly recorded, in the same manner as a mortgage given to an individual or a corporation other than any such building and loan association.

2. This act shall take effect immediately.

Approved April 28, 1947.

Chapter 299, Laws of 1947

An Act concerning corporations, and amending section 14:7-2 of the Revised Statutes.

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

1. Section 14:7-2 of the Revised Statutes is amended to read as follows:

14:7-2. Each director shall be a bona fide shareholder in the corporation at the time of his election, or a bona fide shareholder in a corporation holding twenty-five per centum (25%) or more of its capital stock.

Any corporation may determine by its certificate of incorporation or by-laws how many shares a person shall hold to qualify him as a director.

Any director ceasing to be a bona fide stockholder shall cease to be a director.

The provisions of this section shall not apply to a corporation all of the stock of which is owned by savings and loan associations and directors of such a corporation need not be or become holders of shares of the capital stock of such corporation.

2. This act shall take effect immediately.

Approved June 18, 1947.

Chapter 172, Laws of 1948

An Act to validate certain deeds or other conveyances of real property to or by the trustees of building and loan associations in dissolution.

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

1. Any deed or other conveyance of real property by or to the trustees in dissolution of any building and loan association in dissolution, heretofore made and executed, shall be good and effectual, notwithstanding that the same was made and executed to the trustees in dissolution or by the trustees in dissolution of such building and loan association and was not made to the building and loan association or by the building and loan association in its corporate name; provided, the same is valid in all other respects.

2. This act shall take effect immediately.

Approved June 12, 1948.

Chapter 173, Laws of 1940

An Act to validate proceedings brought to foreclose a mortgage or mortgages of a building and loan association in dissolution, in the names of the trustees in dissolution, rather than in the name of the association.

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

1. Any proceedings heretofore brought to foreclose a mortgage or mortgages of a building and loan association in dissolution shall be valid notwithstanding the proceedings were instituted in the names of the trustees in dissolution of said association, rather than in the corporate name of the association; provided, the said proceedings are valid in all other respects.

2. This act shall take effect immediately.

Approved June 12, 1948.

Chapter 266, Laws of 1948

An Act providing for the destruction of records, papers and documents of certain corporations of this State in liquidation and dissolution.

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

1. As used in this act,

(a) "Corporation" shall mean a corporation organized pursuant to any law of this State, over which the Commissioner of Banking and Insurance or the Department of Banking and Insurance is required or authorized by law to exercise supervisory or regulatory powers;

(b) "Liquidator" means (1) the trustee or trustees in voluntary dissolution of a corporation; (2) the Commissioner of Banking and Insurance in the exercise

of his statutory power to take possession of and to liquidate a corporation; (3) the receiver or receivers, or the trustee or trustees appointed by a court of competent jurisdiction to liquidate a corporation; and (4) every person or persons engaged in the liquidation of a corporation in dissolution pursuant to any statute of this State, or by virtue of any lawful order, decree or proclamation of any administrative, executive or judicial officer of this State.

2. At any time during the liquidation of a corporation, the liquidator may apply to the Superior Court for an order authorizing the destruction of such of the records, documents and other papers of the corporation, excluding those relating to the liquidation, which, in the opinion of the liquidator, it is unnecessary further to preserve or retain. The court may, in its discretion, order that notice of the application be advertised not less than once a week for three successive weeks, in a newspaper published in the municipality in which the corporation maintained its principal office, or, if there be no such newspaper, then in one published in the county in which such principal office was maintained, or in an adjoining county, and which has a general circulation in such municipality. If the court is satisfied that no rights will be adversely affected by the destruction of such records, documents and other papers, and that their further preservation or retention is unnecessary, it may make an order authorizing the liquidator to destroy them.

3-A. At any time after liquidation of the corporation has been completed and final distribution made, the liquidator may apply to the Superior Court for an order authorizing the destruction of all records, documents and other papers relating to the liquidation, and of all records, documents and other papers of the corporation not previously destroyed pursuant to section two. The court may, in its discretion, order that notice of the application be advertised in the manner provided by section two. If the court is satisfied that the liquidation has been completed and final distribution made,

it may make an order authorizing the liquidator to destroy such records, documents and other papers on or after a date to be designated in such order, but in no case shall such destruction take place until after the expiration of one year from the completion of such liquidation and the making of the final distribution.

3-B. At any time after the expiration of five years from the date on which the liquidation of a corporation shall have been completed and final distribution made, the liquidator may, in his discretion, and without leave of court, destroy, or cause to be destroyed, any of the records, documents and other papers of the corporation, including those relating to the liquidation, which, in his opinion, it is unnecessary further to preserve or retain; provided, however, that the liquidator shall first give notice of his intention so to do by advertising such notice in the manner provided in section two.

4. No liquidator shall be held accountable for any act of destruction authorized in the manner provided by this act.

5. The provisions of this act shall apply to all corporations heretofore liquidated; to all corporations in process of liquidation on the effective date of this act; and to all corporations to be liquidated after the effective date of this act.

6. No presumption shall be drawn from the enactment of this act that, prior to its passage, liquidators were without power or authority to destroy the records, documents and other papers of a corporation or those relating to its liquidation.

7. This act shall take effect September sixteenth, one thousand nine hundred and forty-eight.

Approved July 27, 1948.

Chapter 298, Laws of 1948

An Act making it a misdemeanor to require that policies of insurance or renewals thereof incidental to certain financial transactions shall be obtained from or through particularly designated insurance agents or brokers.

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

1. Any person, firm or corporation engaged in the business of financing the purchase, rehabilitation or retention of real or personal property, or of lending money on the security of real or personal property, and any agent or employee of any such person and any officer, trustee, director, agent or employee of any such firm or corporation, who shall directly or indirectly impose or require as a condition of any such financing or loaning of money, whether the financing or the security to be taken, shall be in the form of a mortgage, conditional sale, contract, pledge or otherwise, or as a condition of the doing of any other act in connection with any such transaction, that the person, firm or corporation with whom any such transaction shall be conducted, shall negotiate for or obtain any policy of insurance or renewal thereof, covering the property involved in the transaction from or through a particularly designated insurance agent or broker, shall be guilty of a misdemeanor.

2. This act shall not be deemed to prevent the exercise of the right to approve or disapprove the sufficiency of any policy or renewal thereof of insurance or of the underwriting company or agency issuing such policy or renewal which may be negotiated for or tendered in connection with any such transaction by the person, firm or corporation seeking or obtaining the financing or loan involved in such transaction.

3. This act shall take effect immediately but it shall be inoperative for a period of thirty days after its effective date.

Approved August 9, 1948.

Chapter 104, Laws of 1950

An Act to amend section one, and to repeal section two, of "An act concerning evidence, and supplementing article five of chapter ninety-eight of Title 2 of the Revised Statutes," approved April fourteenth, one thousand nine hundred and forty-one (P. L. 1941, c. 40).

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

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

1. Any photographic copy, or a positive print thereof if the same be a negative, of any of the documents or records of any bank, savings bank, national banking association having its principal office in this State, savings and loan association, building and loan association, or of any insurance company organized or existing under the laws of this State, which shall be deemed to be an original counterpart of the original thereof by virtue of the provisions of any statute of this State, shall be as admissible in evidence as the original thereof, whether or not the original shall have been destroyed, for all purposes in all courts and places.

2. Section two of "An act concerning evidence, and supplementing article five of chapter ninety-eight of Title 2 of the Revised Statutes," approved April fourteenth, one thousand nine hundred and forty-one, is repealed.

3. This act shall take effect immediately.

Approved May 5, 1950.