

[First Reprint]  
ASSEMBLY, No. 2351

STATE OF NEW JERSEY

INTRODUCED SEPTEMBER 19, 1996

By Assemblymen ZECKER and BROWN

1 AN ACT permitting certain banks, savings banks <sup>1</sup>, savings and loan  
2 associations<sup>1</sup> and their subsidiaries to engage in the securities  
3 business under certain circumstances and amending P.L.1979, c.226  
4 <sup>1</sup>and P.L.1963, c.144<sup>1</sup>.

5  
6 **BE IT ENACTED** *by the Senate and General Assembly of the State*  
7 *of New Jersey:*

8  
9 1. Section 8 of P.L.1979, c.226 (C.17:9A-24.9) is amended to read  
10 as follows:

11 8. Additional powers of banks and savings banks. In addition to  
12 the powers which banks and savings banks may otherwise exercise,  
13 every bank and savings bank, as defined in section 1 of "The Banking  
14 Act of 1948," P.L.1948, c.67 (C.17:9A-1), shall have power

15 (1) To subscribe for, purchase and hold stock of one or more  
16 insurance companies organized under the laws of this State which have  
17 been or may hereafter be limited to insure banks, savings banks and  
18 other depository institutions

19 (a) Against loss from the defaults of persons in positions of trust,  
20 public or private, or against loss or damage on account of neglect or  
21 breaches of duty or obligations guaranteed by the insurer; and against  
22 loss of any bills of exchange, notes, checks, drafts, acceptances of  
23 drafts, bonds, securities, evidences of debt, deeds, mortgages,  
24 documents, gold or silver, bullion, currency, money, platinum and  
25 other precious metals, refined or unrefined, and articles made  
26 therefrom, jewelry, watches, necklaces, bracelets, gems, precious and  
27 semiprecious stones, and also against loss resulting from damage,  
28 except by fire, to the insured's premises, furnishings, fixtures,  
29 equipment, safes and vaults therein, caused by burglary, robbery,  
30 holdup, theft or larceny, or attempt thereat. No such indemnity  
31 indemnifying against loss of any property as specified herein shall

**EXPLANATION** - Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and intended to be omitted in the law.

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

<sup>1</sup> Assembly floor amendments adopted November 14, 1996.

1 indemnify against the loss of any such property occurring while in the  
2 mail or in the custody or possession of a carrier for hire for the  
3 purpose of transportation, except for the purpose of transportation by  
4 an armored motor vehicle accompanied by one or more armed guards;  
5 and

6 (b) Against loss or damage by burglary, theft, larceny, robbery,  
7 forgery, fraud, vandalism or malicious mischief, or any one or more of  
8 such hazards; and against any and all kinds of loss or destruction of or  
9 damage to moneys, securities, currencies, scrip, coins, bullion, bonds,  
10 notes, drafts, acceptances of drafts, bills of exchange and other  
11 valuable papers or documents, except while in the custody or  
12 possession of and being transported by a carrier for hire or in the mail.

13 (2) To make loans and investments as authorized for associations  
14 by section 155 of the "Savings and Loan Act (1963)," P.L.1963, c.144  
15 (C.17:12B-155).

16 (3) To make loans and investments as authorized for associations  
17 by, and subject to the limitations of, sections 157 through 160 and 162  
18 through 164 of the "Savings and Loan Act (1963)," P.L.1963, c.144  
19 (C.17:12B-157 through C.17:12B-160 and C.17:12B-162 through  
20 C.17:12B-164).

21 (4) To extend credit through the use of credit cards issued by it  
22 through an arrangement with participating vendors, and without  
23 limitation of the generality of the foregoing, to exercise all the powers  
24 permitted to associations pursuant to subsection (18) of section 48 of  
25 the "Savings and Loan Act (1963)," P.L.1963, c.144 (C.17:12B-48).

26 (5) To make any investment authorized for associations by section  
27 165 of the "Savings and Loan Act (1963)," P.L.1963, c.144  
28 (C.17:12B-165), provided, however, that where reference is made to  
29 State associations or federal associations therein such reference for  
30 purposes of this act shall be deemed to refer to banking institutions as  
31 defined in section 1 of "The Banking Act of 1948," P.L.1948, c.67  
32 (C.17:9A-1).

33 (6) To exercise any powers and activities that have been or are  
34 hereafter approved by regulation of the Board of Governors of the  
35 Federal Reserve System as being so closely related to banking or  
36 managing or controlling banks as to be a proper activity for a bank  
37 holding company pursuant to the "Bank Holding Company Act of  
38 1956," 70 Stat. 133 (12 U.S.C.§1841 et seq.) and regulations  
39 thereunder.

40 (7) To apply to the commissioner for authority, and if granted, to  
41 exercise any power or activity that has been or is hereafter deemed to  
42 be closely related to banking under the "Bank Holding Company Act  
43 of 1956," 70 Stat. 133 (12 U.S.C.§1841 et seq.) and which has been  
44 permitted on an individual basis by order of the Board of Governors  
45 of the Federal Reserve System.

46 (8) To make loans, as defined in this subsection, pursuant to which

1 the parties may contract for and the bank or savings bank may receive  
2 interest or other compensation at a rate or rates or in an amount that  
3 the bank or savings bank and the borrower may agree upon,  
4 notwithstanding the provisions of any other law of this State, except  
5 N.J.S.2C:21-19, which limits the interest rate or finance charge which  
6 would otherwise be applicable to the loan. A loan, for the purposes  
7 of this subsection, includes loans in the amount of \$5,000.00 or more,  
8 payable on demand or in installments, and (a) which is for the purpose  
9 of acquiring or is secured by equipment used for business or  
10 commercial purposes or (b) is secured by (i) an interest in warehouse  
11 receipts, bills of lading, or other documents of title which are subject  
12 to chapter 7 of Title 12A of the New Jersey Statutes, or (ii) by an  
13 interest in negotiable instruments or commercial paper which are  
14 subject to chapter 3 of Title 12A of the New Jersey Statutes, or (iii)  
15 by an interest in stocks, bonds, certificates of deposit or other  
16 securities which are subject to chapter 8 of Title 12A of the New  
17 Jersey Statutes, or (iv) by an interest in any combination of the  
18 foregoing.

19 (9) To engage in the business of providing data processing and  
20 computer services.

21 (10) To acquire, by purchase or otherwise, and to sell warrants,  
22 options or other similar rights to any class or classes of equity  
23 securities issued or to be issued by a corporation, if, at the time the  
24 warrants, options or other similar rights are acquired, the issuer, or its  
25 parent company, affiliate or subsidiary, is a borrower of funds loaned  
26 by the bank or savings bank, and if the acquisition by purchase or  
27 otherwise, and the sale of the warrants, options or other similar rights  
28 neither adds to the bank's or saving bank's credit risk nor increases the  
29 bank's or savings bank's financial liabilities.

30 (11) (a) To engage in securities activities or establish or invest in  
31 a subsidiary which may engage in securities activities, or any  
32 combination of the actions permitted pursuant to this paragraph (a).

33 (b) Securities activities engaged in pursuant to this subsection (11)  
34 are subject to the provisions of the "Uniform Securities Law (1967),"  
35 P.L.1967, c.93 (C.49:3-47 et seq.), notwithstanding the exemption  
36 provisions of subsection c. of section 2 of P.L.1967, c.93 (C.49:3-  
37 49), but only to the extent that securities activities conducted by  
38 national banks or state banks pursuant to federal law or pursuant to  
39 rule or regulation of the Board of Governors of the Federal Reserve  
40 System or by rule or regulation of the Federal Deposit Insurance  
41 Corporation are subject to the provisons of the "Uniform Securities  
42 Law (1967)."

43 (c) For purposes of this subsection (11):

44 "securities activities" means the purchase, sale, underwriting and  
45 otherwise dealing in debt and equity securities, including, without  
46 limitation, stocks, bonds, municipal bonds, mortgage backed securities

1 and commercial paper:

2 (i) to the extent that national banks are permitted to engage in  
3 those activities by federal law or regulation, subject to any statutory  
4 or regulatory limitations and conditions placed on such banks engaging  
5 in securities activities;

6 (ii) to the extent that state banks or national banks are permitted  
7 to engage in those activities by regulation or rule of the Board of  
8 Governors of the Federal Reserve or by regulation or rule of the  
9 Federal Deposit Insurance Corporation, subject to all limitations and  
10 conditions contained in the regulations and rules; or

11 (iii) as the Commissioner of Banking and Insurance may allow by  
12 regulation or order, or which activities have been fully described in an  
13 application to the commissioner, which application the commissioner  
14 has approved, except, that such securities activities shall be on parity  
15 with regulations or orders allowing such securities activities for  
16 national banks or other state chartered banks.

17 "state bank" means a bank or savings bank as defined in section 1  
18 of P.L.1948, c.67 (C.17:9A-1) or a corporation organized as a bank  
19 under the laws of a state other than New Jersey.

20 The commissioner may, by regulation, prescribe the manner in  
21 which and the extent to which the powers enumerated in this section  
22 may be exercised, including whether they are to be exercised through  
23 a subsidiary corporation and may, by regulation, prescribe other  
24 powers, not otherwise expressly authorized or prohibited by law,  
25 which banks and savings banks may exercise.

26 (cf: P.L.1985, c.528, s.2)

27

28 <sup>1</sup>2. Section 48 of P.L.1963, c.144 (C.17:12B-48) is amended to  
29 read as follows:

30 48. Specific powers. Without limiting the generality of the  
31 foregoing, every association shall have power to:

32 (1) Have succession by its corporate name for the period limited  
33 in its charter or certificate of incorporation, and when no period is  
34 limited, perpetually.

35 (2) Sue and be sued in any court.

36 (3) Adopt and use a corporate seal and alter the same.

37 (4) Purchase and otherwise acquire, hold, mortgage, pledge, lease,  
38 exchange, sell, convey and otherwise dispose of, any real and personal  
39 property, necessary or incidental to its operations and consistent with  
40 its powers and purposes.

41 (5) Insure its members' accounts with the Federal [Savings and  
42 Loan] Deposit Insurance Corporation, and comply with conditions  
43 necessary to obtain and maintain such insurance.

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

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

5 (8) Join any cooperative league organized for the purpose of  
6 protecting and promoting the welfare of associations and their  
7 members and comply with all conditions of membership therein.

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

21 (10) (Deleted by amendment.)

22 (11) Require an advance payment of interest for a period of 1  
23 month on any loan; and accept advance payments of interest, if made  
24 at the option of the debtor, for any period on any loan. None of such  
25 payments shall be deemed usurious.

26 (12) Where shares are issued, charge an admission fee, not to  
27 exceed \$0.25 per share, which shall include the cost of membership or  
28 share certificate and account book.

29 (13) Impose charges upon a member for failure to make any  
30 payment to the association when due, but only as provided in this  
31 paragraph. Where the association issues installment share accounts it  
32 may impose such charge upon any member holding such an account or  
33 any borrower upon a sinking fund mortgage not in excess of 1% a  
34 month upon the amount in arrears, except for the first month's  
35 arrearage or the amount by which such first month's arrearage may be  
36 increased by subsequent arrearage, in which case a charge not in  
37 excess of 5% may be imposed. Such charges shall be subject to the  
38 further limitations that no such charge shall be deducted from any  
39 amount actually paid by a member upon an account nor shall the total  
40 of any such charges against any account in any fiscal year exceed the  
41 amount that may be charged for failure to make any payments for a  
42 6-month period nor shall any charge for default be made on a charge  
43 for default. Otherwise an association may impose a charge for failure  
44 to make any required payment to it when due upon any loan or  
45 contract for the resale of real estate to a member, not to exceed 4% of  
46 the amount of each payment in arrears, but no more than one such

1 charge may be made with respect to any one payment in arrears. An  
2 association may impose a reasonable service charge against any  
3 member who tenders to such association, for collection or as  
4 payment, a check or other instrument of any type which subsequently  
5 is not honored by the institution or person upon which such check or  
6 other instrument is drawn. None of such charges shall be deemed  
7 usurious.

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

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

14 (16) Upon application to and approval by the commissioner, to act  
15 as custodian or trustee within the contemplation of the Federal  
16 Self-Employed Individuals Tax Retirement Act of 1962, as amended  
17 and supplemented, and the Employee Retirement Income Security Act  
18 of 1974 as amended and supplemented, and as custodian, trustee or  
19 manager of any such investment fund the authorized investments of  
20 which include, but need not be limited to, savings accounts or real  
21 estate loans, and the beneficial interests in which may be represented  
22 by transferable shares or certificates. Associations exercising the  
23 powers authorized by this subsection shall segregate all funds held in  
24 such fiduciary capacities from the general assets of the association and  
25 shall keep a separate set of books and records showing in detail all  
26 transactions made under authority of this subsection. If individual  
27 records are kept for each self-employed individual's retirement plan  
28 and each such investment fund, then all such funds held in such  
29 fiduciary capacities by an association may be commingled for  
30 appropriate purposes of investment. No funds held in such fiduciary  
31 capacities shall be used by an association in the conduct of its  
32 business; however, such funds may be invested in savings accounts of  
33 the association in the event that the custodial, trust or other plan does  
34 not prohibit such investment. In granting or refusing the association's  
35 application the commissioner shall take into consideration the  
36 investment policies, amount, type and adequacy of reserves, fidelity  
37 bonds and any legally required deposits of the applicant and other  
38 pertinent facts and circumstances.

39 (17) Upon compliance with subsection (5) of this section, accept  
40 from its members accounts to be repaid upon such terms, not  
41 inconsistent with this act, as are approved by the Commissioner of  
42 Banking and Insurance, by regulation or otherwise, provided that no  
43 account shall exceed the limitations established by section 78 of  
44 P.L.1963, c.144 (C.17:12B-78), and provided further that no account  
45 shall be accepted or issued in the name of any corporation, association  
46 or partnership or in the name of any individual for use in trade or

1 business. An association issuing such accounts may honor demands  
2 for withdrawal of such accounts in the form of negotiable checks,  
3 drafts or orders in the form of electronic fund transfers and may  
4 become a member of a clearing facility and satisfy reasonable  
5 conditions required for its qualification and pay reasonable expenses  
6 therefor. Such accounts may be either interest-bearing or  
7 noninterest-bearing; provided, however, that the payment of interest  
8 on such accounts be permitted by federal law. An association  
9 accepting accounts pursuant to this subsection shall, at all times,  
10 maintain reserves against such accounts as shall be prescribed in  
11 regulations issued by the commissioner in accordance with the  
12 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.)  
13 but such reserves shall be equal in nature and amount to those required  
14 of savings banks in this State against similar accounts. Such reserves  
15 shall be maintained in cash or deposits in one or more reserve  
16 depositories as authorized by the Commissioner of Banking and  
17 Insurance. Regulations of the commissioner may also provide that  
18 associations issuing such type of accounts maintain a general reserve  
19 account, federal insurance reserve account and undivided profits of  
20 specified minimum amounts and provide for minimum standards of  
21 office facilities in connection therewith. An insured association may  
22 impose a reasonable service charge for providing and maintaining such  
23 accounts for the benefit of its members.

24 (18) Issue credit cards, extend credit in connection therewith, and  
25 otherwise engage in or participate in credit card operations subject to  
26 such regulations as the commissioner may prescribe. Any such  
27 regulations shall be in substantial conformity with similar rules and  
28 regulations of the [Federal Home Loan Bank Board] Office of Thrift  
29 Supervision.

30 (19) (a) Apply to the commissioner for permission to act as  
31 trustee, executor, administrator, guardian, or in any other fiduciary  
32 capacity in which federal savings and loan associations doing business  
33 in this State are permitted to act. Associations exercising any or all of  
34 the powers enumerated in this section shall segregate all assets held in  
35 any fiduciary capacity from the general assets of the association and  
36 shall keep a separate set of books and records showing in proper detail  
37 all transactions engaged in under authority of this section. No  
38 association shall receive in its trust department deposits of current  
39 funds subject to check or the deposit of checks, drafts, bills of  
40 exchange, or other items for collection or exchange purposes. Funds  
41 deposited or held in trust by the association awaiting investment shall  
42 be carried in a separate account and shall not be used by the  
43 association in the conduct of its business unless it shall first set aside  
44 in the trust department United States bonds or other securities  
45 approved by the commissioner. In the event of the failure of such  
46 association, the owners of the funds held in trust for investment shall

1 have a lien on the bonds or other securities so set apart, in addition to  
2 their claim against the estate of the association. Whenever the laws of  
3 this State require corporations acting in a fiduciary capacity to deposit  
4 securities with the State authorities for the protection of private or  
5 court trusts, associations so acting shall be required to make similar  
6 deposits and securities so deposited shall be held for the protection of  
7 private or court trusts, as provided by New Jersey law. Associations  
8 in such cases shall not be required to execute the bond usually required  
9 of individuals if New Jersey corporations under similar circumstances  
10 are exempt from this requirement. Associations shall have power to  
11 execute such bond when so required by the laws of New Jersey. In  
12 any case in which the laws of this State require that a corporation  
13 acting as trustee, executor, administrator, or in any capacity specified  
14 in this section shall take an oath or make an affidavit, any officer, as  
15 defined in section 65 of P.L.1963, c.144 (C.17:12B-65), of such  
16 association may take the necessary oath or execute the necessary  
17 affidavit. It shall be unlawful for any association to lend any officer,  
18 director, or employee any funds held in trust under the powers  
19 conferred by this section. Any officer, director, or employee making  
20 such loan, or to whom such loan is made, may be fined not more than  
21 \$5,000.00, or imprisoned not more than 5 years, or may be both fined  
22 and imprisoned, in the discretion of the court. In passing upon  
23 applications for permission to exercise the powers enumerated in this  
24 section, the commissioner may take into consideration the amount of  
25 capital and surplus of the applying association, whether or not such  
26 capital and surplus is sufficient under the circumstances of the case,  
27 the needs of the community to be served, and any other facts and  
28 circumstances that seem to him proper, and may grant or refuse the  
29 application accordingly, except that approval shall not be granted to  
30 any association having a capital and surplus less than the capital and  
31 surplus required by New Jersey law of State banks, trust companies,  
32 and corporations exercising such powers.

33 (b) Any association desiring to surrender its right to exercise the  
34 powers granted under this section, in order to relieve itself of the  
35 necessity of complying with the requirements of this section, or to  
36 have returned to it any securities which it may have deposited with the  
37 State authorities for the protection of private or court trusts, or for  
38 any other purpose, may file with the commissioner a certified copy of  
39 a resolution of its board of directors signifying such desire. Upon  
40 receipt of such resolution, the commissioner, after satisfying himself  
41 that such association has been relieved in accordance with State law  
42 of all duties as trustee, executor, administrator, guardian or other  
43 fiduciary, under court, private or other appointments previously  
44 accepted under authority of this section, may, in its discretion, issue  
45 to such association a certificate certifying that such association is no  
46 longer authorized to exercise the powers granted by this section.

1 Upon the issuance of such a certificate by the commissioner, such  
2 association (i) shall no longer be subject to the provisions of this  
3 section or the regulations of the commissioner made pursuant thereto,  
4 (ii) shall be entitled to have returned to it any securities which it may  
5 have deposited with the State authorities for the protection of private  
6 or court trusts, and (iii) shall not exercise thereafter any of the powers  
7 granted by this section without first applying for and obtaining  
8 approval to exercise such powers pursuant to the provisions of this  
9 section.

10 (c) The commissioner is authorized and empowered to promulgate  
11 such regulations as he may deem necessary to enforce compliance with  
12 the provisions of this section and the proper exercise of the trust  
13 powers granted by this section. Any such regulations shall be in  
14 substantial conformity with similar rules and regulations of the  
15 [Federal Home Loan Bank Board] Office of Thrift Supervision.

16 (20) In accordance with rules and regulations promulgated by the  
17 commissioner, issue and sell directly to subscribers or through  
18 underwriters mutual capital certificates. Such certificates shall  
19 constitute part of the general reserve and net worth of the issuing  
20 association. Such certificates--

21 (a) Shall be subordinate to all savings accounts, savings  
22 certificates, and debt obligations;

23 (b) Shall constitute a claim in liquidation on the general reserves,  
24 surplus, and undivided profits of the association remaining after the  
25 payment in full of all savings accounts, savings certificates, and debt  
26 obligations;

27 (c) Shall be entitled to the payment of dividends; and

28 (d) May have a fixed or variable dividend rate.

29 The commissioner is authorized and empowered to promulgate such  
30 regulations as he may deem necessary with respect to the powers  
31 granted by this section. Any such regulations shall be in substantial  
32 conformity with similar rules and regulations of the [Federal Home  
33 Loan Bank Board] Office of Thrift Supervision. The commissioner  
34 shall provide in his regulations for charging losses to the mutual  
35 capital certificates, reserves, and other net worth accounts.

36 (21) If authorized by regulation of the commissioner, exercise any  
37 power, right, benefit, or privilege permitted to federal associations,  
38 provided that such power, right, benefit or privilege is not specifically  
39 prohibited by law, which regulation shall be in substantial conformity  
40 with similar rules and regulations of the [Federal Home Loan Bank  
41 Board] Office of Thrift Supervision; and exercise any power, right,  
42 benefit or privilege under this section, modified by regulation of the  
43 commissioner, where the [Federal Home Loan Bank Board] Office of  
44 Thrift Supervision has, by regulation, modified that power, right,  
45 benefit or privilege with respect to federal associations.

46 (22) (a) Engage in securities activities or establish or invest in a

1 subsidiary which may engage in securities activities, or any  
2 combination of the actions permitted pursuant to this paragraph (a).

3 (b) Securities activities engaged in pursuant to this subsection (22)  
4 are subject to the provisions of the "Uniform Securities Law (1967),"  
5 P.L.1967, c.93 (C.49:3-47 et seq.), notwithstanding the exemption  
6 provisions of subsection c. of section 2 of P.L.1967, c.93 (C.49:3-49),  
7 but only to the extent that securities activities conducted by federal  
8 savings banks or savings and loan associations pursuant to federal law  
9 or pursuant to rule or regulation of the Office of Thrift Supervision or  
10 by rule or regulation of the Federal Deposit Insurance Corporation are  
11 subject to the provisions of the "Uniform Securities Law (1967)."

12 (c) For purposes of this subsection (22):

13 "securities activities" means the purchase, sale, underwriting and  
14 otherwise dealing in debt and equity securities, including, without  
15 limitation, stocks, bonds, municipal bonds, mortgage backed securities  
16 and commercial paper:

17 (i) to the extent that federal savings banks are permitted to engage  
18 in those activities by federal law or regulation, subject to any statutory  
19 or regulatory limitations and conditions placed on such federal savings  
20 banks engaging in securities activities;

21 (ii) to the extent that savings and loan associations or federal  
22 savings banks are permitted to engage in those activities by regulation  
23 or rule of the Office of Thrift Supervision or by regulation or rule of  
24 the Federal Deposit Insurance Corporation, subject to all limitations  
25 and conditions contained in the regulations and rules; or

26 (iii) as the Commissioner of Banking and Insurance may allow by  
27 regulation or order, or which activities have been fully described in an  
28 application to the commissioner, which application the commissioner  
29 has approved, except, that such securities activities shall be on parity  
30 with regulations or orders allowing such securities activities for federal  
31 savings banks or other savings and loan associations.

32 "savings and loan association" means a State association or an out-  
33 of-State association as defined in section 5 of P.L.1963, c.144  
34 (C.17:12B-5).

35 The commissioner may, by regulation, prescribe the manner in  
36 which and the extent to which the powers enumerated in this  
37 subsection may be exercised, including whether they are to be  
38 exercised through a subsidiary corporation and may, by regulation,  
39 prescribe other powers, not otherwise expressly authorized or  
40 prohibited by law, which savings and loan associations may exercise.<sup>1</sup>

41 (cf: P.L.1983, c. 5, s. 1)

42

43 <sup>1</sup>[2.] <sup>3.1</sup> This act shall take effect immediately.

1

2

3

4 Permits State banks, savings banks, savings and loan associations and  
5 subsidiaries to engage in securities business if certain other banks or  
6 savings and loan associations are allowed to do so.