

CHAPTER 27. LEEWAY INVESTMENTS

- Sec.
27.1. Definition of “leeway investments.”
27.2. Purchase of leeway investments.
27.3. Limitations on leeway investments.
27.4. Records.

Authority

The provisions of this Chapter 27 issued under sections 103(a), 307, 311(d)(vi) and 504(b)(x) of the Banking Code of 1965 (7 P. S. §§ 103(a), 307, 311(d)(vi) and 504(b)(x)), unless otherwise noted.

Source

The provisions of this Chapter 27 adopted March 8, 1974, effective March 9, 1974, 4 Pa.B. 406, unless otherwise noted.

§ 27.1. Definition of “leeway investments.”

As used in this chapter, the term “leeway investments” may include bonds, notes, debentures or capital stock.

§ 27.2. Purchase of leeway investments.

An institution may make leeway investments in corporations formed to promote the public welfare and community development, expand the economy or provide for social reform.

§ 27.3. Limitations on leeway investments.

(a) A bank or bank and trust company:

(1) Shall limit its leeway investments in one corporation to 2.0% of the institution’s capital and surplus at the time of acquisition of the investments.

(2) Shall limit its aggregate total of leeway investments to 10% or less of the institution’s capital and surplus at the time of acquisition of the investment.

(b) A savings bank:

(1) Shall limit its leeway investments in one corporation to 0.2% of the book value of the assets of the institution at the time of acquisition of the investment.

(2) Shall limit its aggregate total of leeway investments to 3.0% of the book value of the assets of the institution at the time of acquisition of the investment.

§ 27.4. Records.

Leeway investments shall be identified on the general books of the institution as “Leeway Investments” and in the absence of default or bankruptcy will be permitted to be carried on the institution’s books at amortized acquisition costs.

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(256760) No. 298 Sep. 99

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