and to authorize, conduct and manage the letting of boats, or other amusement apparatus, the operation of bath houses, the purchase and sale of foodstuffs or other merchandise, the giving of vocal or instrumental concerts or other entertainments, the establishment and maintenance of aviation landings and playgrounds, and generally the management and conduct of such forms of recreation or business as it shall judge desirable or beneficial for the public, or for the production of revenue for expenditure for park purposes; and may pay out moneys for the maintenance and improvement of any such parks, parkways, boulevards, avenues, aviation landings and playgrounds as now exist, or may hereafter be acquired, within or without the limits of said city and for the purchase of lands within or without the limits of said city, whenever it deems the purchase to be for the benefit of the public and for the interest of the park district, and for the maintenance and improvement thereof and for all expenses incidental to its duties: PROVIDED, That all parks, boulevards, parkways, aviation landings and playgrounds shall be subject to the police regulations of the city within whose limits they lie.

Passed the House February 25, 1969.
Passed the Senate March 10, 1969.
Approved by the Governor March 24, 1969.
Filed in office of Secretary of State March 24, 1969.

CHAPTER 55
[Engrossed House Bill No. 131]
MUTUAL SAVINGS BANKS

section 6, chapter 145, Laws of 1967 and RCW 32.20.250; amend-
ing section 32.20.280, chapter 13, Laws of 1955 and RCW
32.20.280; amending section 32.20.320, chapter 13, Laws of 1955
and RCW 32.20.320; amending section 18, chapter 176, Laws of
1963 as amended by section 10, chapter 145, Laws of 1967 and
RCW 32.20.400; amending section 19, chapter 176, Laws of 1963
and RCW 32.20.410; amending section 11, chapter 145, Laws of
1967 and RCW 32.20.420; adding a new section to chapter 13,
Laws of 1955 and to chapter 32.04 RCW; adding a new section to
chapter 13, Laws of 1955 and to chapter 32.08 RCW; adding a new
section to chapter 13, Laws of 1955 and to chapter 32.16 RCW;
and adding two new sections to chapter 13, Laws of 1955 and to
chapter 32.20 RCW.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

Section 1. Section 32.08.150, chapter 13, Laws of 1955 as
last amended by section 1, chapter 41, Laws of 1959 and RCW 32.08.150
are each amended to read as follows:

(1) A savings bank shall not purchase, deal or trade in any
goods, wares, merchandise, or commodities whatsoever except such per-
sonal property as may be necessary for the transaction of its author-
ized business.

(2) Such bank shall not make or issue any certificate of de-
posit payable either on demand or at a fixed day, except the bank may
issue savings certificates of deposit in such form as the bank may de-
termine upon the following terms:

(a) The certificates may provide for the payment of interest
at a rate fixed in advance by the bank, provided certificates carry-
ing a fixed rate shall mature in a period not exceeding five years
from the date of issuance;

(b) The certificates may be payable at a fixed future time
not less than thirty days after the date of issuance or may contain
provisions requiring thirty or more days' notice of demand for
payment:
(c) The certificates may be issued at a discount instead of stipulating a rate of interest, or interest thereon may be deferred to be paid at maturity or other stipulated date.

Sec. 2. Section 32.12.020, chapter 13, Laws of 1955 as last amended by section 2, chapter 145, Laws of 1967 and RCW 32.12.020 are each amended to read as follows:

The sums deposited with any savings bank, together with any dividends or interest credited thereto, shall be repaid to the depositors thereof respectively, or to their legal representatives, after demand in such manner, and at such times, and under such regulations, as the board of trustees shall prescribe, subject to the provisions of this section and RCW 32.12.030. Such regulations shall be posted in a conspicuous place in the room where the business of such savings bank shall be transacted, and shall be available to depositors upon request. All such rules and regulations, and all amendments thereto, from time to time in effect, shall be binding upon all depositors.

(1) Such bank may at any time by a resolution of its board of trustees require a notice of not more than six months before repaying deposits, in which event no deposit shall be due or payable until the required notice of intention to withdraw the same shall have been personally given by the depositor: PROVIDED, That such bank at its option may pay any deposit or deposits before the expiration of such notice. But no bank shall agree with its depositors or any of them in advance to waive the requirement of notice as herein provided.

(2) Except as provided in subdivisions (3), (4), and (5) of this section the savings bank shall not pay any dividend, or interest, or deposit, or portion thereof, or any check drawn upon it by a depositor unless the certificate of deposit is produced, or the passbook of the depositor is produced ((7)) and the proper entry is made therein at the time of the payment.

(3) The board of trustees of any such bank may by its bylaws provide for making payments in cases of loss of passbook or certificate of deposit, or other exceptional cases where the passbooks or
certificates of deposit cannot be produced without loss or serious inconvenience to depositors, the right to make such payments to cease when so directed by the supervisor upon his being satisfied that such right is being improperly exercised by any such bank; but payments may be made at any time upon the judgment or order of a court.

(4) The board of trustees of any such bank may by its bylaws provide for making payments to depositors at their request, of dividends or interest payable on any deposit, without requiring the production of the passbook or certificate of deposit of the depositor, and any payment made in accordance with any such request and the receipt or acquittance of the one to whom such payment is made shall be a valid and sufficient release and discharge to such savings bank for all payments made on account of such request prior to receipt by such savings bank of notice in writing not to pay such sums in accordance with the terms of such request.

(5) The issuance of a passbook or certificate of deposit may be omitted for any account if a ledger record thereof is maintained in lieu of a passbook or certificate of deposit on which shall be entered deposits, withdrawals, and interest credited: PROVIDED, That in any event a passbook or certificate of deposit shall be issued upon the request of any depositor.

(6) If any person dies leaving in any such bank an account on which the balance due him does not exceed one thousand dollars and no executor or administrator of his estate has been appointed, such bank may in its discretion pay the balance of his account to his widow (or if the decedent was a married woman, then to her husband), next of kin, funeral director, or other creditor who may appear to be entitled thereto. As a condition of such payment such bank may require proof by affidavit as to the parties in interest, the filing of proper waivers, the execution of a bond of indemnity with surety or sureties by the person to whom the payment is to be made, and a proper receipt and acquittance for such payment. For any such payment pursuant to this section such bank shall not be liable to the decedent's executor or
Sec. 3. Section 32.12.090, chapter 13, Laws of 1955 as last amended by section 3, chapter 80, Laws of 1961 and RCW 32.12.090 are each amended to read as follows:

(1) Every savings bank shall regulate the rate of interest upon the amounts to the credit of depositors therewith, in such manner that depositors shall receive as nearly as may be all the earnings of the bank after transferring the amount required by RCW 32.08.120 and such further amounts as its trustees may deem it expedient and for the security of the depositors to transfer to the guaranty fund, which to the amount of ten percent of the amount due its depositors the trustees shall gradually accumulate and hold. Such trustees may also deduct from its net earnings, and carry as reserves for losses, or other contingencies, or as undivided profits, such additional sums as they may deem wise.

(2) Every savings bank may classify its depositors according to the character, amount, regularity, or duration of their dealings with the savings bank, and may regulate the interest in such manner that each depositor shall receive the same ratable portion of interest as all others of his class.

(3) Unimpaired contributions to the initial guaranty fund and to the expense fund, made by the incorporators or trustees of a savings bank, shall be entitled to have dividends apportioned thereon, which may be credited and paid to such incorporators or trustees.

Whenever the guaranty fund of any savings bank is sufficiently large to permit the return of such contributions, the contributors may receive interest thereon not theretofore credited or paid at the same rate paid to depositors.

(4) A savings bank shall not:

(a) Declare, credit or pay any interest except as authorized by a vote of a majority of the board of trustees duly en-
tered upon its minutes, whereon shall be recorded the ayes and noes upon each vote;

(b) Pay any ((dividend)) interest other than the regular quarterly or semiannual ((dividend)) interest, or the interest on savings certificates of deposit, or the extra dividends prescribed elsewhere in this title: PROVIDED, That such bank may pay interest not less often than annually on the anniversary dates of accounts separately classified for this purpose;

(c) Declare, credit or pay ((dividends)) interest on any amount to the credit of a depositor for a longer period than the same has been credited: PROVIDED, That deposits made not later than the tenth day of any month (unless the tenth day is not a business day, in which case it may be the next succeeding business day), or withdrawn upon one of the last three business days of the month ending any quarterly or semiannual ((dividend)) interest period, may have ((dividends-declared)) interest paid upon them for the whole of the period or month when they were so deposited or withdrawn: PROVIDED FURTHER, That if the bylaws so provide, accounts closed between ((dividends)) interest periods may be credited with ((dividends)) interest at the rate of the last ((dividend)) interest, computing from the first ((dividend)) interest period to the date when closed.

(5) The trustees of any savings banks whose undivided profits and guaranty fund, determined in the manner prescribed in RCW 32.12.070, amount to more than twenty-five percent of the amount due its depositors, shall at least once in three years divide equitably the accumulation beyond such twenty-five percent as an extra dividend to depositors in excess of the regular dividend authorized.

A notice posted conspicuously in a savings bank of a change in the rate of ((dividends)) interest shall be equivalent to a personal notice.

Sec. 4. Section 32.16.040, chapter 13, Laws of 1955 and RCW 32.16.040 are each amended to read as follows:

(1) A quorum at any regular or special or adjourned meeting
of the board of trustees shall consist of not less than five of whom the president shall be one, except when he is prevented from attending by sickness or other unavoidable detention, when he may be represented in forming a quorum by the first vice president, or in case of his absence for like cause, by the second vice president; but less than a quorum shall have power to adjourn from time to time until the next regular meeting.

Regular meetings of the board of trustees shall be held at least once a month.

(2) The board of trustees shall by resolution duly recorded in the minutes, designate an officer or officers whose duty it shall be to prepare and submit to ((each)) the trustees at each regular meeting of the board, or to an executive committee of not less than five members of such board, a written statement of ((all)) the purchases and sales of securities, and of ((every)) loans, made since the last regular meeting of the board ((describing-the-collateral-to such-indebtedness-as-of-the-date-of-meeting-at-which-such-statement-is submitted), but such officer or officers may omit from such statement loans of less than one thousand dollars, except as herein after provided.--Such statement shall also contain a list giving the aggregate of loans to each individual partner, unincorporated association, or corporation whose liability to the savings bank has been increased one thousand dollars or more since the last regular meeting of the board, together with a description of the collateral to such indebtedness held by the savings bank at the date of the meeting at which such statement is submitted.--A copy of such statement, together with a list of the trustees present at such meeting, verified by the affidavit of the officer or officers charged with the duty of preparing and submitting such statement shall be filed with the records of the savings bank within one day after such meeting, and shall be presumptive evidence of the matters therein stated)). The statement shall be in such form as the board from time to time shall determine and there may be omitted from the statement such purchases and sales of securi-

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ties and such loans as determined by the board.

Sec. 5. Section 32.20.230, chapter 13, Laws of 1955 as amended by section 6, chapter 176, Laws of 1963 and RCW 32.20.230 are each amended to read as follows:

A mutual savings bank may invest its funds in promissory notes payable to the order of the savings bank, secured by the pledge or assignment of investments lawfully purchasable by a savings bank. No such loan shall exceed ninety percent of the cash market value of such investments so pledged. Should any of the investments so held in pledge depreciate in value after the making of such loan, the savings bank shall require an immediate payment of such loan, or of a part thereof, or additional security therefor, so that the amount loaned thereon shall at no time exceed ninety percent of the market value of the investments so pledged for such loan.

Sec. 6. Section 32.20.250, chapter 13, Laws of 1955 as last amended by section 6, chapter 145, Laws of 1967, and RCW 32.20.250 are each amended to read as follows:

A mutual savings bank may invest its funds in loans secured by first mortgages on real estate subject to the following restrictions:

In all cases of loans upon real property, a note secured by a mortgage on the real estate upon which the loan is made shall be taken by the savings bank from the borrower;

The savings bank shall also be furnished by the borrower, either

(1) A complete abstract of title of the mortgaged property, which abstract shall be signed by the person or corporation furnishing the abstract of title, and which abstract shall be examined by a competent attorney and shall be accompanied by his opinion approving the title and showing that the mortgage is a first lien; or

(2) A policy of title insurance; or

(3) A duplicate certificate of ownership issued by a registrar of titles.
Where the real estate (subject-to-such-first-mortgage) is other than a single family residential property, it must be improved to such extent that the net annual income thereof or reasonable annual rental value thereof in the condition existing at the time of making the loan is sufficient to pay the annual interest accruing on such loan in addition to taxes and insurance and (all-accruing-charges-and expenses) a reasonable amount for maintenance and upkeep commensurate with the type of property involved.

No loan on real estate shall be:

(1) For an amount greater than ninety percent of the value of such real estate including improvements if it is property improved with owner-occupied single family residential dwellings (including but not being limited to condominia); or

(2) For an amount greater than eighty percent of the value of other real estate, including improvements except that in the event such savings bank obtains, as additional collateral, an assignment of a policy or policies of life insurance issued by a company authorized to do business in this state, such loan may exceed the limits (herein) specified in (1) or (2), but such excess shall not be more than eighty percent of the cash surrender value of such assigned life insurance.

No mortgage loan shall be made in excess of fifty percent of the value of the security unless its terms require the payment of principal and interest in annual, semiannual, quarterly or monthly payments, at a rate which if continued would repay the loan in full in not more than thirty years, beginning within one year and continuing until the loan is reduced to fifty percent or less of the value of the security.

A loan may be made on real estate which is to be improved by a building or buildings to be constructed with the proceeds of such loan, if it is arranged that such proceeds will be used for that purpose and that when so used the property will qualify under this section.
No mortgage loan, or renewal or extension thereof for a period of more than one year, shall be made except upon written application showing the date, name of the applicant, the amount of loan requested, and the security offered, nor except upon the written report of at least two members of the board of investment of the bank certifying on such application according to their best judgment the value of the property to be mortgaged; and the application and written report thereon shall be filed and preserved with the savings bank records.

Every mortgage and assignment of a mortgage taken or held by a savings bank shall be taken and held in its own name, and shall immediately be recorded in the office of the county auditor of the county in which the mortgaged property is located.

A mortgage on real estate shall be deemed a first mortgage and lien within the meaning of this section even though

(1) There is outstanding upon the real estate a lease to which the mortgage is subject, and two members of the board of investment of the bank deem the lease advantageous to the owner of the mortgaged property, and the mortgagee in case of foreclosure of the mortgage can compel the application upon the mortgage debt of substantially all of the rents thereafter to accrue; and/or

(2) There are outstanding nondelinquent taxes or special assessments or both, and the sum of the assessments and the amount of the loan does not exceed the limits herein specified.

Sec. 7. Section 32.20.280, chapter 13, Laws of 1955 and RCW 32.20.280 are each amended to read as follows:

A mutual savings bank may invest its funds in real estate as follows:

(1) A tract of land whereon there is or may be erected a building or buildings suitable for the convenient transaction of the business of the savings bank, from portions of which not required for its own use revenue may be derived: PROVIDED, That the cost of the land and building or buildings for the transaction of the business of
the savings bank shall in no case exceed ((twenty-five)) thirty percent of the guaranty fund, undivided profits, reserves, and subordinated securities of the savings bank, except with the approval of the supervisor; and before the purchase of such property is made, or the erection of a building or buildings is commenced, the estimate of the cost thereof, and the cost of the completion of the building or buildings, shall be submitted to and approved by the supervisor((;)). "The cost of the land and building or buildings" means the amounts paid or expended therefor less the reasonable depreciation thereof taken by the bank against such improvements during the time they were held by the bank.

(2) Such lands as shall be conveyed to the savings bank in satisfaction of debts previously contracted in the course of its business((;)).

(3) Such lands as the savings bank shall purchase at sales under judgments, decrees, or mortgages held by it.

All real estate purchased by any such savings bank, or taken by it in satisfaction of debts due it, under this section, shall be conveyed to it directly by name, and the conveyance shall be immediately recorded in the office of the proper recording officer of the county in which such real estate is situated.

Every parcel of real estate purchased or acquired by a savings bank under this section, shall be sold by it within five years from the date on which it was purchased or acquired, or in case it was acquired subject to a right of redemption, within five years from the date on which the right of redemption expires, unless:

(1) There is a building thereon occupied by the savings bank as its offices, or

(2) The supervisor, on application of the board of trustees of the savings bank, extends the time within which such sale shall be made.

Sec. 8. Section 32.20.320, chapter 13, Laws of 1955 and RCW 32.20.320 are each amended to read as follows:

The trustees of every savings bank shall as soon as prac-
ticable invest the moneys deposited with it in the securities pre-
scribed in this title((--PROVIDED,-That-for-the-purpose-of-paying
withdrawals-in-excess-of-receipts,-and-meeting-acquiring-expenses,-or
for-the-purpose-of-awaiting-a-more-favorable-opportunity-for-judici-
ous-investment,-any-such-bank-may-keep-en-hand-or-on-deposit-in-one
or-more-banks-or-trust-companies-in-this-state-or-in-the-city-of-New
York,-state-of-New-York,-the-city-of-Chicago,-state-of-Illinois,-the
city-of-Portland,-state-of-Oregon,-or-the-cities-of-San-Francisco-or
Los-Angeles,-state-of-California,-an-available-fund-not-exceeding
twenty-percent-of-the-aggregate-amount-credited-to-its-depositors,
but-the-sum-deposited-by-any-such-savings-bank-in-any-one-bank-or
trust-company-shall-not-exceed-twenty-five-percent-of-the-paid-up-cap-
tal-and-surplus-of-the-bank-or-trust-company-in-which-the-deposit-is
made,-and-no-more-than-five-percent-of-the-aggregate-amount-credited
to-the-depositors-of-any-such-savings-bank-shall-be-deposited-in-a
bank-or-trust-company-of-which-a-trustee-of-such-savings-bank-is-a
director)).

The purchase by a savings bank of a negotiable certificate of
deposit or similar security issued by a bank need not be considered a
deposit if the certificate or security is eligible for investment by
a savings bank under any other provision of this title.

Sec. 9. Section 18, chapter 176, Laws of 1963, as amended by
section 10, chapter 145, Laws of 1967 and RCW 32.20.400 are each
amended to read as follows:

A mutual savings bank may invest not to exceed five percent of
its funds in loans for home or property repairs, alterations, appli-
cances, improvements, or additions, home furnishings, for installation
of underground utilities, for educational purposes, ((or)) for mobile
homes used or to be used for permanent or semi-permanent housing, or
for non-business family purposes: PROVIDED, That

(1) The principal amount of any loan shall not exceed five
thousand dollars; except in the case of loans for mobile homes which
shall not exceed fifteen thousand dollars;
(2) The application therefor shall state that the proceeds are to be used for one of the above purposes;

(3) The term of the loan shall not exceed sixty-two months, except in the case of loans for underground utilities, mobile homes or educational loans which may require repayment at such time and upon such terms as the bank may determine; and

(4) Nothing in this section shall permit a mutual savings bank to make secured or unsecured loans on or for inventory as that term is defined in section 9-109(4), chapter 157, Laws of 1965, RCW 62A.9-109(4).

Sec. 10. Section 19, chapter 176, Laws of 1963 and RCW 32.20.410 are each amended to read as follows:

The aggregate total amount a mutual savings bank may invest in the following shall not exceed eighty percent of its funds:

(1) Mortgages upon real estate and participations therein;
(2) Contracts for the sale of realty;
(3) Mortgages upon leasehold estates; and

(4) Notes secured by pledges or assignments of first mortgages or real estate contracts ((and

(5) -Notes, bonds, debentures, advances, certificates of participations, and other obligations of any corporation or association which is or hereafter may be created pursuant to any law of the United States for the purpose of insuring or marketing real estate mortgages)).

Sec. 11. Section 11, chapter 145, Laws of 1967 and RCW 32.20.420 are each amended to read as follows:

A mutual savings bank may invest not to exceed five percent of its funds in loans on the security, and for the purpose of financing the acquisition and development, of land for primarily commercial, industrial, or residential usage. Within the five percent limit, and subject to the further limit hereinafter set forth, the bank may loan up to seventy-five percent of the ((borrower's investment in)) appraised value of the land ((, but no loan shall be made under this...)}
section in an amount equal to more than seventy percent of the value of the real estate security therefor) as of the completion of the development thereof into building lots or sites ready for construction thereon. Each such loan shall be repayable within a period of not more than ten years and the interest thereon shall be payable at least semiannually. (Open-the-sale-or-release-from-the-lien-of)

When any portion of the security (property) is released from the lien of the mortgage, the principal amount of (any) such loan shall be reduced in an amount at least equal to that portion of the total loan secured by the property (property) released. (No-disbursement of-any-of-the-proceeds-of-any-loan-made-under-this-section-shall-be-made-at-any-time-if-such-disbursement-together-with-the-aggregate amount-of-such-proceeds-previously-disbursed-by-the-bank-and-not-re-paid-to-it-

would-exceed-an-amount-equal-to-the-sum-of-(1)-seventy percent-of-the-value-at-such-time-of-that-portion-of-the-security property-which-is-building-lots-or-sites-the-development-of-which-is in-progress-or-completed-and-(2)-seventy-percent-of-the-value-at-such time-of-the-remaining-security-property-

No loan made hereunder may exceed a sum equal to seventy-five percent of the amount of the borrower's investment in the property given (or remaining after a release or releases) as security for such loan. The "amount of the borrower's investment" may include all sums paid for the property and improvements thereto, taxes, assessments and the like thereon plus a sum equal to six percent per annum on such amounts.

A loan may be made on real estate which is to be developed with the developments to be paid for with the proceeds of such loan, if it is arranged that the proceeds will be used for that purpose and that when so used the property will qualify under this section.

NEW SECTION: Sec. 12. There is added to chapter 13, Laws of 1955 and to chapter 32.08 RCW a new section to read as follows:

A mutual savings bank shall have the power to act as trustee under:
(1) A retirement plan established pursuant to the provisions of the act of Congress entitled "Self-Employed Individuals Tax Retirement Act of 1962", as now constituted or hereafter amended. If a retirement plan, which in the judgment of the mutual savings bank, constituted a qualified plan under the provisions of that act at the time accepted by the mutual savings bank, is subsequently determined not to be a qualified plan or subsequently ceases to be a qualified plan in whole or in part, the mutual savings bank may, nevertheless, continue to act as trustee of any deposits theretofore made under the plan and to dispose of the same in accordance with the directions of the trustor and the beneficiaries thereof.

(2) A trust established by an inter vivos trust agreement or under the will of a deceased person, but only if all the trust assets are required by the terms of the trust to be invested in accounts with mutual savings banks. The trustee shall deposit the trust assets in savings accounts with itself as soon as practical after establishment of the trust.

(3) A trust established in connection with any collective bargaining agreement or labor negotiation wherein the beneficiaries of the trust include the employees concerned under the agreement or negotiation.

A mutual savings bank may be appointed to and accept the appointment of executor of the last will and testament, or administrator with will annexed, of the estate of any deceased person wherein the will establishes a trust wherein the mutual savings bank may act as trustee.

The restrictions, limitations and requirements in Title 30 RCW shall apply to a mutual savings bank exercising the powers granted under this section insofar as the restrictions, limitations, and requirements relate to exercising the powers granted under this section. A mutual savings bank shall not use the word "trust" in its name, but may use the word "trust" in its business or advertising.

NEW SECTION. Sec. 13. There is added to chapter 13, Laws of 1955 and to chapter 32.04 RCW a new section to read as follows:

The word "mortgage" as used in this title includes deed of
NEW SECTION. Sec. 14. There is added to chapter 13, Laws of 1955 and to chapter 32.16 RCW a new section to read as follows:

The bylaws of a savings bank may prescribe a maximum age beyond which no person shall be eligible for election to the board of trustees and may prescribe a mandatory retirement age of seventy-five years or less for trustees subject to the following limitations:

(1) No person shall be eligible for initial election as a trustee after December 31, 1969, who is seventy years of age or more; and

(2) No person shall continue to serve as a trustee after December 31, 1973, who is seventy-five years of age or more and the office of any such trustee shall become vacant on the last day of the month in which the trustee reaches his seventy-fifth birthday or December 31, 1973, whichever is the latest.

If a savings bank does not adopt a bylaw prescribing a mandatory retirement age for trustees prior to January 1, 1970, or does not maintain thereafter a bylaw prescribing a mandatory retirement age, the office of a trustee of such savings bank shall become vacant on the last day of the month in which such trustee reaches his seventieth birthday or on December 31, 1969, whichever is the latest.

NEW SECTION. Sec. 15. There is added to chapter 13, Laws of 1955 and to chapter 32.20 RCW a new section to read as follows:

A mutual savings bank may invest its funds in such real estate, improved or unimproved, and its fixtures and equipment, as the savings bank shall purchase either alone or with others or through ownership of interests in entities holding such real estate. The savings bank may improve property which it owns, and rent, lease, sell, and otherwise deal in such property, the same as any other owner thereof. The total amount a mutual savings bank may invest pursuant to this section shall not exceed fifty percent of the total of its guaranty fund, undivided profits, and unallocated reserves, or five percent of its funds, whichever is less. No officer or trustee of the bank shall own or hold any interest in any property
in which the bank owns an interest, and in the event the bank owns an inter-

est in property hereunder with or as a part of another entity, no officer

or trustee of the bank shall own more than two and one-half percent of

the equity or stock of any entity involved, and all of the officers and

trustees of the bank shall not own more than five percent of the equity or

stock of any entity involved.

NEW SECTION. Sec. 16. There is added to chapter 13, Laws of 1955

and to chapter 32.20 RCW a new section to read as follows:

A mutual savings bank may invest its funds in loans secured by real

estate mortgages or deeds of trust not otherwise eligible for investment by

the savings bank, which are prudent real estate loans for the bank in the

opinion of its board of trustees or of officers or committees designated

by the board, whose action is ratified by the board at its regular meeting

next following the investment. The total amount a mutual savings bank may

invest pursuant to this section shall not exceed twenty-five percent of the

total of its guaranty fund, undivided profits, and unallocated reserves.

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