

CHAPTER 126.

[S. B. 157.]

SAVINGS AND LOAN ASSOCIATIONS—LOANS AND INVESTMENTS.

AN ACT relating to savings and loan associations and amending sections 60 and 64, chapter 235, Laws of 1945 and RCW 33.24.030 and 33.24.070; and adding a new section to chapter 33.24 RCW.

Be it enacted by the Legislature of the State of Washington:

SECTION 1. Section 60, chapter 235, Laws of 1945 and RCW 33.24.030 are each amended to read as follows: Amendment.

An association may invest its funds in the bonds or interest bearing obligations of this state or any agency thereof. Investment in obligations of state or agency thereof.

SEC. 2. Section 64, chapter 235, Laws of 1945 and RCW 33.24.070 are each amended to read as follows: Amendment.

An association may invest its funds in the revenue bonds of any city, town, district, or political subdivision of this state for the payment of which revenue of the city, town, district or political subdivision utility or revenue producing facility is irrevocably pledged. Investment in municipal and utility bonds.

It may invest its funds in the light, water, or sewer revenue bonds of any city or other municipal corporation in the United States having a population of not less than fifty thousand inhabitants as determined by the last federal census, which has not defaulted in the payment of interest or principal upon this or any like obligation, including those for which its credit was pledged, within ten years last past, for the payment of which the entire revenue of the city's or other municipal corporation's light, water, or sewer system, less maintenance and operating costs, is irrevocably pledged.

The aggregate of the investments of an association in any issue of such revenue bonds shall at no Limitation.

time exceed five percent of the amount of its savings accounts.

New section.

SEC. 3. There is added to chapter 33.24 RCW, a new section to read as follows:

Investment of funds in excess of contingent fund and other bad debt reserves.

Any association having a contingent fund and other bad debt reserves exceeding the amount required by the Federal Savings and Loan Insurance Corporation, or five percent of its aggregate savings, whichever is greater, may invest an amount not exceeding one percent of its aggregate savings, in unimproved real estate for resale to builders and prospective home owners. Such real estate shall be primarily for housing sites, and any such association may survey and plat such land, lay out and improve streets, install water mains, sewers, sidewalks and similar improvements, as may be necessary to prepare such sites for home building purposes: *Provided*, That the total investment therein does not exceed the limitation as herein provided. Any such real estate not sold within five years from date of acquirement by the association shall be depreciated ten percent per annum at the close of each calendar year thereafter, unless an extension of time is granted by the supervisor.

Passed the Senate February 9, 1955.

Passed the House March 6, 1955.

Approved by the Governor March 14, 1955.