

## CHAPTER 404.

(House Bill 32)

AN ACT to repeal and re-enact, with amendments, Section 71 of Article 11 of the Annotated Code of Maryland (1939 Edition), title "Banks and Trust Companies", sub-title "General Regulations".

SECTION 1. *Be it enacted by the General Assembly of Maryland*, That Section 71 of Article 11 of the Annotated Code of Maryland (1939 Edition), title "Banks and Trust Companies", sub-title "General Regulations", be and the same is hereby repealed and re-enacted, with amendments, to read as follows:

71. A bank or trust company may purchase, hold and convey real estate for the following purposes only:

First. Such as shall be necessary for the convenient transaction of its business, including, with its banking offices, other apartments in the same building, or on adjoining land, to rent as a source of income; provided, however, that not more than fifty (50%) per cent of its unimpaired capital and surplus may be invested in its banking building, offices, furniture and fixtures by any bank or trust company; but in any institutions wherein the aforesaid limitation has been reached, the Bank Commissioner may authorize such ordinary repairs, replacements to furniture and fixtures, and other structural improvements, as in his opinion are necessary for the proper continuance of its banking business, under such conditions as the Bank Commissioner may prescribe.

Second. Such as shall be conveyed to it in satisfaction of debts previously contracted in the course of its business.

Third. Such as it shall purchase at sale on judgments, decrees or mortgage foreclosures under securities held by it, but a bank shall not bid at such a sale a larger amount than is necessary to satisfy its debts and costs.

Fourth. No real estate acquired in the cases contemplated in the second and third sub-divisions preceding shall be held for a longer time than eight years, provided, however, the Bank Commissioner may extend such period of time for an additional period of two years under such conditions as he may deem it expedient to prescribe. At the expiration of the full ten year period, such real estate must be sold at public or private sale within one year thereafter, unless the value of said parcel or parcels of real estate shall have been charged down on the books of such institution to an amount which shall be agreeable to the Bank Commissioner. Nothing in this section shall be construed as preventing a bank or trust company