

AN ACT AMENDING SECTION EIGHTEEN OF ACT NUMBERED FOUR-TEEN HUNDRED AND NINETY-THREE, ENTITLED "THE PHILIPPINE POSTAL SAVINGS BANK ACT," AS AMENDED, BY PROVIDING FOR AN INCREASE ...

Act No. 2450, January 26, 1915

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By authority of the United States, be it enacted by the Philippine Legislature, that:

SECTION 1. Section eighteen of Act Numbered Fourteen hundred and ninety-three, as amended, is hereby further amended to read as follows:

"SEC. 18. (a) The investment of the funds of the Postal Savings Bank shall be in charge of a board to be known as the postal savings bank investment board, which shall be composed of the Secretary of Commerce and Police, the Secretary of Finance and Justice, the Director of Posts, the Insular Treasurer, and a business man to be appointed by the Governor-General, who shall serve without compensation. It shall be the duty of the postal savings bank investment board to invest the funds of the Postal Savings Bank as hereinafter provided, taking sufficient and proper security for investments made, and to perform such other duties as the proper investment and administration of the funds of the Postal Savings Bank shall require.

"(b) The funds received upon deposit by the Postal Savings Bank shall be invested in any or all of the following ways, and in no others, in such amounts and under such regulations as the postal savings bank investment board shall determine, unless otherwise provided by this Act:

"1. Investment in bonds or other evidences of indebtedness of the United States.

"2. Investment in bonds or other evidences of indebtedness of the Insular Government of the Philippine Islands, of the city of Manila, and of any municipality in the Philippine Islands issued in pursuance of section sixty-six of the Act of Congress approved July first, nineteen hundred and two, as amended by section three of the Act of Congress approved February sixth, nineteen hundred and five: provided however, That not exceeding ten per centum of the total deposits shall be invested in bonds of municipalities of the Philippine Islands outside of the city of Manila.

3. Interest-bearing deposits, under proper security, in any bank situated in the United States or in the Philippine Islands having an unimpaired, paid-up capital equivalent to one million five hundred thousand pesos or over of Philippine currency.

"4. The stocks or shares of banks doing business in the Philippine Islands having a paid-up capital of one million five hundred thousand pesos or over: Provided, however, That not exceeding ten per centum of the total deposits shall be invested in such stocks or shares.

"5a. Upon first mortgage or deed of trust to the bank of improved and unencumbered city real estate, with a title registered in accordance with the Land Registration Act, situated in the cities of Manila, Cebu, Iloilo, and Zam-boanga: Provided, however, That no investment shall be made upon a mortgage or deed of trust of any parcel of such property without the approval of four-fifths of the members of the investment board, nor in amount in excess of sixty per centum of the assessed value of such property, nor in amount in excess of five per centum of the total amount of deposits in the bank, nor in amount in excess of fifty thousand pesos on any one piece of property, nor for a longer time than three years: And provided further, That all investments upon mortgages and deeds of trust shall not exceed in the aggregate forty per centum of the total deposits in the

bank.

"5b. Upon first mortgage or deed of trust to the bank of actually cultivated, improved, and unencumbered agricultural lands in the Philippine Islands with a title registered in accordance with the Land Registration Act: Provided, however, That no investment shall be made upon a mortgage or deed of trust of any parcel of such land without the approval of all members of the investment board, nor in amount in excess of twenty per centum of the assessed value of such land, nor in amount in excess of ten thousand pesos on any one piece of property, nor for a longer time than five years: And provided further, That investments upon such mortgages or deeds of trust shall not exceed in the aggregate ten per centum of the total deposits in the bank.

"Real estate acquired by the foreclosure of a mortgage or deed of trust thereon shall be vested in the name of the Postal Savings Bank and shall be sold by the investment board as soon as a price can be obtained therefor sufficient to pay the amount of the mortgage or deed of trust, interest, charges, insurance, and other expenses chargeable against the property, and within three years after the same is vested in the bank, unless such time shall be extended by the Governor-General. The chairman of the investment board by direction of the board shall execute all necessary papers for the sale and transfer of such real.

The Director of Lands shall, under direction of the investment board, undertake the management of any property title to which may vest in the bank by operation of this law and shall render to the board all reports for which it may call.

"The board shall be charged with the duty of verifying the reasonableness of the assessed value of all land upon which money is loaned under the provisions of this Act.

"6. In any securities the principal or interest of which is guaranteed by the Government of the United States or of the Philippine Islands.

"7. In loans on any securities the principal or interest of which is guaranteed by the Government of the United States or of the Philippine Islands: Provided, That such loans shall not exceed eighty per centum of the market value of such securities and that no loans shall be made on such securities for a period longer than one year.

"8. In bonds which are valid obligations against all the 'property of any public service corporation incorporated under the laws of the United States or of the Philippine Islands: Provided, That in every case arising under this subsection, the Governor-General shall appoint a committee to estimate the total reasonable value of all the property of the corporation on which the total issue of said bonds shall constitute the said valid obligation and that no investment shall be made if the said committee finds that the said total issue of said bonds, together with all prior existing obligations, shall exceed eighty per centum of the total reasonable value of the said property, nor shall such investment be made unless during the three years prior to the same, the net earnings of the corporation shall have been more than double the amount necessary to pay the interest on the total issue of the bonds offered for investment. Not more than twenty per centum of the total deposits on the date of the investment shall be invested in securities of any public service corporation unless the principal or interest of such securities shall have been guaranteed by the Government of the United States or by the Government of the Philippine Islands.

"9. In bonds of the Manila Railroad Company known debentures Manila Railway nineteen hundred and six limited.

"10. In first mortgages upon leasehold interests on lands having still not less than fifty years to run, and all buildings thereon, when the lands are situated in the cities of Manila, Cebu, Iloilo, or Zamboanga, and when the title to the lands is in the Government of the Philippine Islands, and the buildings are of a permanent and substantial character: Provided, That the amount of the loan shall not exceed sixty per centum of the appraised value of the buildings."

SEC. 2. This Act shall take effect on its passage.

Enacted, January 26, 1915.

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