

Section 7 would enable Federal associations to act as trustees of domestic trusts forming part of the stock bonus, pension, or profit-sharing plan.

Section 8 would allow U.S. agency obligations to count toward liquidity, in addition to cash and U.S. obligations.

A BILL To amend section 5 of the Home Owners' Loan Act of 1933 as amended

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Federal Savings and Loan Association Amendments of 1966".

SEC. 2. Subsection (a) of section 5 of the Home Owners' Loan Act of 1933 is hereby amended by inserting the words "or 'Federal Savings Associations', at the discretion of their respective boards of directors" immediately following the words "Federal Savings and Loan Associations'".

SEC. 3. The second sentence of subsection (b) of said section 5 is hereby amended to read as follows:

"Excepting savings accounts authorized by the Board for contributions made under pension or retirement trusts, no deposits shall be accepted and no certificates of indebtedness shall be issued except for such borrowed money as may be authorized by regulations of the Board."

SEC. 4. The second proviso of the first sentence of subsection (c) of said section 5 is hereby amended to read as follows:

"And provided further, That any portion of the assets of such associations may be invested in general or special obligations of or guaranteed or insured by the United States, any State, any county, municipality or political subdivision of any State, any district, public body, public instrumentality, or public authority of any one or more of the foregoing, or the Federal National Mortgage Association, a Federal Home Loan Bank or any agency of the United States, or in the stock of the Federal National Mortgage Association or a Federal Home Loan Bank, and as used in this section the word "State" shall include the District of Columbia, the Commonwealth of Puerto Rico and the territories and possessions of the United States."

SEC. 5. The third paragraph of said subsection (c) is hereby amended by deleting the words "college or university" and by inserting in lieu thereof the words "college, university or vocational".

SEC. 6. Said subsection (c) is hereby further amended by adding at the end thereof the following new paragraphs:

"Without regard to any other provision of this subsection, any such association is authorized to invest in loans, obligations and advances of credit made for the acquisition of household durable goods or furnishings or for the acquisition of mobile dwellings.

"Without regard to any other provision of this subsection, any such association is authorized to make unsecured or secured loans, but only to such extent as the Board may by regulation permit, and subject to such limitations and conditions as the Board shall by regulation impose. No such loan shall be made by any association if the effect of such loan would be to increase the outstanding principal of such loans by such association to any principal obligor (as defined by the Board) to an amount which exceeds \$5,000. No loan may be made under authority of this paragraph if any obligor on such loan is a private business corporation for profit."

SEC. 7. Said section 5 is hereby further amended by adding at the end thereof the following new subsection:

"(1) Notwithstanding any other provision of law, any association shall have authority to be and to serve as trustee of any trust which, within the meaning of section 401(a) of the Internal Revenue Code of 1954 or any similar provision of any statute of the United States hereafter in effect (and without regard to whether such trust is a qualified trust or is otherwise qualified under such section or provision), is a trust created or organized in the United States and forming part of a stock bonus, pension or profit-sharing plan. An arrangement which would otherwise be such a trust, having an association as trustee thereof, shall not, for the purposes of this subsection or of said section 401(a) or any such similar provision, be considered to be not such a trust because all or part of the subject of such arrangement consists or has consisted of one or more shares or deposits in or obligations of such association, or any combination thereof. An association shall not, by reason of any service or business under any