HOUSE DOCKET, NO. 2420 FILED ON: 1/20/2011

HOUSE . . . . . No. 2040

The Commonwealth of Massachusetts

PRESENTED BY:

Garrett J. Bradley

To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:

The undersigned legislators and/or citizens respectfully petition for the passage of the accompanying:

An Act relative to limited purpose trust companies subject to supervision by the Division of Banks.

PETITION OF:

NAME:	DISTRICT/ADDRESS:
Garrett J. Bradley	*3rd Plymouth*

HOUSE DOCKET, NO. 2420 FILED ON: 1/20/2011

HOUSE . . . . . No. 2040

By Mr. Bradley of Hingham, a petition (accompanied by bill, House, No. 2040) of Garrett J. Bradley relative to limited purpose trust companies subject to supervision by the Division of Banks. Financial Services.

The Commonwealth of Massachusetts

An Act relative to limited purpose trust companies subject to supervision by the Division of Banks.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

SECTION 1. Section 9A of chapter 172 of the General Laws, as appearing in the 2008 Official Edition, is hereby amended by adding the following two paragraphs:

A limited purpose trust company may be merged, consolidated, converted, liquidated, dissolved or its charter cease to exist in such manner as the commissioner may prescribe and subject to such terms and conditions he may impose.

The provisions of section 4 of chapter 167A relative to the Massachusetts Housing Partnership Fund shall apply to any subsequent transaction involving an unaffiliated entity and a limited purpose trust company that had converted from a trust company to a limited purpose trust company and that, but for such conversion, would have been subject to such provisions of said section 4. The commissioner shall not approve any transaction subject to this paragraph until he has received notice from the Massachusetts Housing Partnership Fund that satisfactory arrangements have been made.

SECTION 2. Notwithstanding any other general or special law to the contrary, with the approval of the commissioner under such procedures as he may require, a trust company chartered under chapter one hundred seventy-two of the General Laws which has deposits of less than fifty-one million dollars or fewer than ten depositors may convert to a limited purpose trust company governed by section 9A of said chapter 172 by adopting, in the manner set forth herein, an amendment to its articles of organization specifying that the purposes of such corporation and the nature of the business to be transacted shall be those authorized for a limited purpose trust company chartered pursuant to said section 9A. Such amendment shall be approved by the board of directors of such trust company and by the holders of at least two-thirds of each class of

23 capital stock of such trust company and shall become effective upon filing of such amendment
24 with the state secretary or at such later time as may be specified in such filing. A trust company
25 that converts to a limited purpose trust company in the manner provided herein shall be
26 considered the same business and corporate entity as that of the converting institution, although
27 as to rights, powers, and duties the resulting institution shall be a limited purpose trust company
28 chartered pursuant to said section 9A.

29 This section shall apply only to such a trust company that notifies the commissioner in
30 writing of its intention to convert to a limited purpose trust company within twelve months of the
31 passage of this act and consummates such conversion within eighteen months of the passage of
32 this act.

33 SECTION 3. No trust company may file a notice to convert under section 2 of this act on
34 a date that is twelve months after passage of this act.

35 SECTION 4. This act shall take effect upon its passage.