

3A:15-1

August 21, 1970

LEGISLATIVE NOTES ON R.S. 3A:15-1  
(Fiduciaries - invest mortgages at legal rate)

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The 6% interest ceiling in the usury statute was lifted in 1968. (See N.J.R.S. 31:1-1, amended by Ch.55, L.1968)

L.1969 - Chapt.289 - S695

Introduced April 10 by Dumont

Not amended during passage  
No statement on the bill

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RSL/AS

SENATE, No. 695

STATE OF NEW JERSEY

INTRODUCED APRIL 10, 1969

By Senator DUMONT

Referred to Committee on Revision and Amendment of Laws

AN ACT relating to investments by fiduciaries, and amending section  
3A:15-1 of the New Jersey Statutes.

1 BE IT ENACTED *by the Senate and General Assembly of the State*  
2 *of New Jersey:*

1 1. Section 3A:15-1 of the New Jersey Statutes is amended to  
2 read as follows:

3 3A:15-1. A fiduciary whose duty it may be to loan or invest funds  
4 intrusted to him in his fiduciary capacity may, without special  
5 order of any court, invest and reinvest such funds, or any part  
6 thereof, and the income derived therefrom, in any of the following:

UNITED STATES BONDS

7 a. Stocks or bonds or interest-bearing notes or obligations of or  
8 guaranteed by the United States, or those for which the faith of the  
9 United States is distinctly pledged to provide for the payment of  
10 the principal and interest thereof;

STATE BONDS

11 b. Bonds or interest-bearing notes or other obligations of or  
12 guaranteed by this State or bonds authorized by its laws issued or  
13 to be issued by any commission appointed pursuant to any law of  
14 this State;

BONDS OF OTHER STATES, TERRITORIES OR  
INSULAR POSSESSIONS

15 c. Bonds of any State in the Union or of any territory or insular  
16 possession of the United States issued by authority of the Legis-  
17 lature thereof, provided such State, territory or insular possession  
18 has not, within 120 days next preceding such investment, defaulted  
19 in the payment of any part of either principal or interest on any of  
20 its bonds so issued;

**EXPLANATION—Matter enclosed in bold-faced brackets [thus] in the above bill  
is not enacted and is intended to be omitted in the law.**

## MUNICIPAL OR SCHOOL BONDS

21 d. Bonds or interest-bearing notes or obligations of any county,  
 22 city, town, township, borough, village or other municipal or political  
 23 subdivision of this State issued under authority of a law of this  
 24 State, or in bonds of any public school district, water district, union-  
 25 graded school district or regional board of education of this State,  
 26 or in refunding or renewal bonds of any such school district, water  
 27 district or board of education issued under authority of a law of this  
 28 State; provided, that at the time of making any such investment the  
 29 issuer of such bonds shall not be in default in the payment of any  
 30 principal of or interest upon any bonds issued by it:

BONDS OF COUNTIES, MUNICIPALITIES AND SCHOOL  
DISTRICTS OF OTHER STATES

31 e. Stocks, bonds, interest-bearing notes or obligations of any  
 32 county, city, town, township, borough, village or school district of  
 33 any other State of the Union issued pursuant to the authority of  
 34 any law of such State; provided, that such county, city, town, town-  
 35 ship, borough, village or school district shall not have been in de-  
 36 fault in the payment of any principal or interest on any of its  
 37 stocks, bonds, interest-bearing notes or obligations within 120 days  
 38 next preceding such investment; provided, that such county shall  
 39 have a population of not less than 20,000 and that any such city,  
 40 town, township, borough, village or school district shall have a  
 41 population of not less than 5,000;

## REVENUE BONDS OF A GOVERNMENTAL UTILITY

42 f. Revenue bonds issued by a unit; provided, that the unit shall  
 43 not, at the time of making the investment, be in default in the pay-  
 44 ment of principal or of interest on any of the revenue bonds issued  
 45 by it or in the performance of any of the covenants, agreements or  
 46 other provisions of the revenue bonds issued by it and shall not be  
 47 in default with respect to any of the provisions or requirements of  
 48 the enabling legislation relative to such revenue bonds; provided  
 49 further, that such enabling legislation requires the unit to fix, main-  
 50 tain and collect for the utility service furnished by the unit charges  
 51 adequate to pay the principal of and interest upon all revenue bonds  
 52 payable from such revenues and to provide for the operation and  
 53 maintenance of the utility including provision for all repairs and  
 54 renewals, and all other charges and liens whatsoever payable from  
 55 such revenues and to pledge a sufficient amount of such revenues for  
 56 the payment of principal of and interest on such revenue bonds

57 and other obligations of the unit having a lien or charge on such  
58 revenues equal to or prior to the lien or charge of the revenue bonds  
59 thereon. For the purposes of this paragraph: (1) "revenue bonds"  
60 mean any bonds, including refunding bonds, or other interest-bear-  
61 ing obligations of a unit for the payment of the principal of and  
62 interest on which the revenues derived from a utility owned or  
63 operated by the unit which issued such bonds or obligations, are  
64 pledged, or any such bonds or obligations additionally secured by a  
65 pledge of the taxing power or other revenues of the unit; (2) "unit"  
66 means a unit authorized to construct, own or operate a utility as  
67 "utility" is hereinafter defined and includes any State, any political  
68 subdivision of any State, any agency or instrumentality, corporate  
69 or otherwise, of any State or of any political subdivision of any  
70 State, including but not by way of limitation any county, city, town,  
71 township, village, authority, district, commission, agency or in-  
72 strumentality of any State or of any political subdivision of any  
73 State, any commission, board, agency or other public body, corpo-  
74 rate or otherwise, created by any Act of Congress or by any State,  
75 or pursuant to a compact between any 2 or more States or between  
76 any 2 or more political subdivisions, authorities, districts, commis-  
77 sions, agencies or instrumentalities of the same State, or between  
78 any 2 or more political subdivisions, authorities, districts, commis-  
79 sions, agencies or instrumentalities of any 2 or more States, or any  
80 corporation which is wholly owned, directly or indirectly by any  
81 of the foregoing; (3) "State" means any of the United States and  
82 any territory or insular possession of the United States; (4) "en-  
83 abling legislation" means any act or resolution of Congress or of  
84 the Legislature of any State or of the Legislatures of any States,  
85 or any act, ordinance, resolution or other authorization by or of a  
86 unit or by or of the governing body of any unit, authorizing or  
87 providing for the issuance of revenue bonds, or any mortgage, trust  
88 deed, trust indenture, trust agreement or other instrument executed  
89 as security for revenue bonds; (5) "utility" means any water-  
90 works system, gas system, electric light system, express or other  
91 highway or highways, bridge, tunnel, ferry or other public utility  
92 service or operation, or any combination of 2 or more of the fore-  
93 going; (6) "system" means a supply or generating system, trans-  
94 mission or distribution system or any combination of supply,  
95 generating, transmission or distribution systems, and all appur-  
96 tenances thereof;

BONDS OF THE DOMINION OF CANADA AND  
PROVINCES

97 g. Bonds, notes or other interest-bearing obligations issued,  
98 guaranteed, or assumed by the Dominion of Canada or by any of the  
99 provinces of the Dominion of Canada;

RAILROAD BONDS AND EQUIPMENT OBLIGATIONS

100 h. (1) Bonds issued, guaranteed, or assumed by a railroad corpo-  
101 ration organized and existing under the laws of any State of the  
102 United States or of the District of Columbia or of the United States,  
103 the net earnings of which, including those of any predecessor com-  
104 pany or companies, before deduction of Federal income and profits  
105 taxes have been sufficient, in any 3 of the 4 fiscal years next preced-  
106 ing the date of purchase, to cover annual requirements for fixed  
107 charges, including contingent interest on income bonds, an average  
108 of  $1\frac{1}{2}$  times; provided, that neither net earnings nor fixed charges  
109 shall be deemed to include interest on bonds of its own or a sub-  
110 sidiary or lessor company repurchased or held as an investment by  
111 such railroad corporation; or in bonds secured by mortgage upon a  
112 railroad terminal, depot, tunnel or bridge used by 2 or more rail-  
113 road corporations which have jointly and severally guaranteed the  
114 payment of principal and interest of such bonds or have otherwise  
115 covenanted or agreed to pay the same, at least one of which guar-  
116 antors shall have net earnings as above; or in bonds of any railway  
117 terminal or dock company of this State, secured by first mortgage  
118 on terminal or dock property fronting on the Hudson river or New  
119 York bay and having an assessed value for the purpose of taxation  
120 in excess of the amount of the entire issue of bonds, and used and  
121 occupied as dock or terminal facilities by any railroad now operat-  
122 ing in this State; provided, that no part of the principal or interest  
123 of such bonds is in default at the time of making the investment;

124 h. (2) Mortgage bonds of a railroad corporation organized and  
125 existing under the laws of any State of the United States or of the  
126 District of Columbia or of the United States which are a first lien or  
127 a collateral first lien on at least  $\frac{2}{3}$  of the mileage covered, of which  
128 at least  $\frac{1}{2}$  said rail mileage shall be main line mileage, the earnings  
129 of which allocable to such mileage are estimated to be on the aver-  
130 age at least  $1\frac{1}{2}$  times interest charges on such bonds for any 3 of  
131 the 4 fiscal years next preceding such investment; provided, that  
132 such a railroad corporation shall not have been in default on any  
133 part of the principal or interest of any of its bonds within 120 days  
134 next preceding such investment, except that nonpayment of con-

135 tingent interest on income bonds, or nonpayment of interest on any  
 136 bonds on which the payment of interest is discretionary rather than  
 137 fixed, shall not constitute such a default. For the purpose of this  
 138 paragraph, should the earnings of a railroad not be susceptible to  
 139 exact allocation under the ordinary accounting methods of a rail-  
 140 road, information as to earnings may be obtained from any  
 141 financial, statistical, investment or other publication or service re-  
 142 ferred to in paragraph a. of section 3A:15-2 of this Title;

143 h. (3) Equipment obligations or certificates of a railroad  
 144 corporation organized and existing under the laws of any State of  
 145 the United States or of the District of Columbia or of the United  
 146 States, secured by railroad equipment under equipment or car trust,  
 147 lease or conditional sale, or by first lien thereon;

#### BONDS SECURED BY FIRST MORTGAGE

148 i. (1) Bonds or other obligations secured by first mortgages on  
 149 improved real estate in this State or in the States of New York or  
 150 Pennsylvania including improved farm lands therein; provided, the  
 151 amount of any such bond or other obligation and mortgage shall not  
 152 at the time of making the investment therein exceed 60% of the  
 153 estimated worth of the real estate covered by the mortgage and the  
 154 rate of interest shall not be more than **[6%]** *the legal rate per*  
 155 *annum;*

156 i. (2) Whenever a fiduciary owns or has an expressed or implied  
 157 power of sale over any real estate, or any interest or interests  
 158 therein, however acquired, he may, in the exercise of discretion, sell  
 159 such real estate, or such interest or interests therein, upon such  
 160 terms and conditions as he shall deem to be for the best interests of  
 161 the estate or trust, and, as an incident to such sale, may invest in a  
 162 bond or other obligation secured by a purchase money mortgage,  
 163 which shall be a first lien upon the real estate or interest or interests  
 164 therein sold, in any amount up to but not exceeding 80% of the sale  
 165 price;

#### BONDS SECURED BY MORTGAGE ON LEASEHOLD OF CAMP MEETING ASSOCIATIONS

166 j. Bonds secured by first mortgage on leasehold estates of real  
 167 estate in this State of camp meeting associations; provided, how-  
 168 ever, that such real estate, except as to such leasehold, is free and  
 169 clear of all liens and encumbrances of every kind and character  
 170 whatsoever; provided further, that such leasehold at the time of the  
 171 giving of said bond and mortgage has an unexpired term of not less

172 than 25 years, and is a lease of the entire interest in such real  
 173 estate, except the reversion thereof; provided further, that no in-  
 174 vestment shall be made in excess of 60% of the appraised value of  
 175 such leasehold estate and the improvements thereon, which ap-  
 176 praisement may be made by a committee of any savings bank, bank-  
 177 ing institution, trust company or insurance company, and, in the  
 178 case of an individual, by 2 persons appointed by any such individual  
 179 for such purpose; provided further, that any such camp meeting as-  
 180 sociation shall consent to the giving of such bond and mortgage, sub-  
 181 ject, nevertheless, to all the conditions of the lease; provided  
 182 further, that no savings bank, banking institution, trust company or  
 183 insurance company, organized under the laws of this State, and no  
 184 person acting as fiduciary shall make loans on leasehold estates of  
 185 any such camp meeting association until the camp meeting associa-  
 186 tion shall first have been approved for such purpose by the Com-  
 187 missioner of Banking and Insurance of the State of New Jersey;

#### UTILITY BONDS

188 k. Bonds, notes or other evidences of indebtedness of any public  
 189 utility corporation organized under the laws of any State of the  
 190 United States or of the District of Columbia or of the United States,  
 191 not less than 70% of the gross operating revenues of which, on a  
 192 consolidated basis, in the fiscal year next preceding such invest-  
 193 ment, was derived from operation of one or more of the following  
 194 utility services, viz.: electric light or power, telephone or tele-  
 195 graph, steam, manufactured gas, natural gas or a mixture of  
 196 manufactured and natural gas; provided, that the gross operating  
 197 revenues of such corporation including predecessor and constituent  
 198 corporations on a consolidated basis shall have averaged not less  
 199 than \$2,000,000.00 per annum for the 3 fiscal years next preceding  
 200 such investment; provided further, that the net operating revenues  
 201 of such corporation on a consolidated basis, including those of  
 202 predecessor and constituent corporations, after all operating ex-  
 203 penses and depreciation, but before State and Federal income and  
 204 profits taxes, available for fixed charges for rentals and interest,  
 205 shall have averaged annually for the 3 fiscal years next preceding  
 206 such investment not less than 1½ times the average annual require-  
 207 ments during such period for such fixed charges, subsidiary pre-  
 208 ferred stock dividends and minority interests excluding intercom-  
 209 pany items;

## WATER COMPANY BONDS

210 1. The bonds, notes or other evidences of indebtedness issued,  
211 guaranteed, or assumed by a public utility corporation organized  
212 and existing under the laws of any State of the United States or of  
213 the District of Columbia or of the United States not less than 80%  
214 of the revenues of which are, at the time of making such invest-  
215 ment, derived from the sale of water to consumers through a dis-  
216 tribution system owned or leased by it, or which such corporation  
217 has otherwise covenanted or agreed to pay or cause to be paid,  
218 whether by lease, indorsement, supplemental indenture or other-  
219 wise; provided, that the gross operating revenues of such corpora-  
220 tion, including those of predecessor and constituent corporations,  
221 shall have averaged not less than \$500,000.00 per annum for the 5  
222 fiscal years next preceding such investment; provided further, that  
223 the net operating revenues of such corporation, including those of  
224 predecessor and constituent corporations, after all operating ex-  
225 penses but before deducting charges for depreciation, renewals and  
226 State and Federal income and profits taxes, available for fixed  
227 charges for rentals and interest on all outstanding debt, shall have  
228 averaged annually for the 3 fiscal years next preceding such in-  
229 vestment, not less than 1½ times the average annual requirement  
230 during such period for such fixed charges excluding intercompany  
231 items;

## UTILITY PREFERRED STOCKS

232 m. Preferred stocks issued, guaranteed, or assumed by a public  
233 utility corporation organized and existing under the laws of any  
234 State of the United States, or of the District of Columbia, or of the  
235 United States, not less than 70% of the gross operating revenues of  
236 which in the fiscal year next preceding such investment was derived  
237 from the operation of one or more of the following utility services,  
238 viz.: artificial gas, the sale of natural gas or of a mixture of  
239 natural and artificial gas, steam, electric light or power, telephone,  
240 telegraph, or water; provided, that such preferred stock shall be  
241 cumulative as to dividends and shall not be preceded, as to claim on  
242 dividends or assets of the corporation, in case of liquidation or  
243 dissolution, by any other class of stock; provided further, that the  
244 gross operating revenues on a consolidated basis of such corpora-  
245 tion, including those of predecessor and constituent corporations,  
246 shall have averaged not less than \$5,000,000.00 per annum for the  
247 3 fiscal years next preceding such investment; provided further,



248 that the mortgage bonds and debentures of the corporation, if such  
 249 are outstanding, shall be legal investments under this chapter; pro-  
 250 vided further, that the net operating revenues of the corporation  
 251 on a consolidated basis including those of predecessor and constitu-  
 252 ent corporations after all operating expenses, taxes and deprecia-  
 253 tion shall have averaged annually for the 3 fiscal years next preced-  
 254 ing such investment not less than  $1\frac{1}{2}$  times the average dividend  
 255 requirements on such preferred stock, any other equally ranking  
 256 preferred stock and for fixed charges for rentals and interest dur-  
 257 ing such period, excluding intercompany items;

#### INDUSTRIAL BONDS AND NOTES

258 n. The bonds, notes or other evidences of indebtedness of any  
 259 industrial corporation organized under the laws of any of the  
 260 following: any State of the United States, the District of Columbia,  
 261 the United States, the Dominion of Canada or any province of the  
 262 Dominion of Canada; provided, that in each of the 3 fiscal years  
 263 next preceding such investment, the gross revenues on a consoli-  
 264 dated basis of the said industrial corporation shall not have been  
 265 less than \$10,000,000.00; provided further, that the balance of in-  
 266 come available for the payment of interest, after deducting all  
 267 operating expenses, depreciation and taxes, except State, Federal,  
 268 or provincial income and profits taxes, shall have averaged annually  
 269 for the 5 fiscal years next preceding such investment, twice the  
 270 average annual interest charges; provided further, either that the  
 271 current assets of said industrial corporation on a consolidated  
 272 basis, as shown by its latest published statement prior to the mak-  
 273 ing of such investment, shall be at least  $1\frac{1}{2}$  times the current  
 274 liabilities, or that the difference between the current assets and  
 275 current liabilities, represented as net current assets or net working  
 276 capital, as shown by such latest published statement, shall not be  
 277 less than the total indebtedness of the corporation, excluding any  
 278 indebtedness included among the current liabilities;

#### INDUSTRIAL PREFERRED STOCKS

279 o. Preferred stocks of any industrial corporation organized  
 280 under the laws of any State of the United States or of the District  
 281 of Columbia or of the United States; provided, that such preferred  
 282 stock shall be cumulative as to dividends; provided further, that in  
 283 each of the 3 fiscal years next preceding such investment, the gross  
 284 revenues of the said industrial corporation on a consolidated basis  
 285 shall not have been less than \$10,000,000.00; provided further, that

286 the balance of income available for the payment of interest and  
 287 dividends on such preferred stock and on any other preferred stock  
 288 ranking equally with or senior to such preferred stock together,  
 289 after deducting all operating expenses, depreciation and taxes,  
 290 shall have averaged annually for the 5 fiscal years next preceding  
 291 such investment,  $2\frac{1}{2}$  times the average annual interest charges and  
 292 preferred dividend requirements on such preferred stock and on all  
 293 senior and equally ranking preferred stocks; provided further,  
 294 either that the current assets of said industrial corporation on a  
 295 consolidated basis, as shown by its latest published statement prior  
 296 to the making of such investment, shall be at least  $1\frac{1}{2}$  times the  
 297 current liabilities or that the difference between the current assets  
 298 and current liabilities, represented as net current assets or net  
 299 working capital, as shown by such latest published statement, shall  
 300 not be less than the total indebtedness of the corporation and all  
 301 equally ranking and senior preferred stocks together, excluding any  
 302 indebtedness included among the current liabilities;

#### BONDS OF JOINT STOCK OR FEDERAL LAND BANK

303 p. Bonds issued by a joint stock land bank authorized to do  
 304 business in this State or by a Federal Land Bank, organized pur-  
 305 suant to an Act of Congress entitled "An act to provide capital for  
 306 agricultural development, to create standard forms of investment  
 307 based upon farm mortgage, to equalize rates of interest upon farm  
 308 loans, to furnish a market for United States bonds, to create govern-  
 309 ment depositaries and financial agents for the United States, and  
 310 for other purposes", approved July 17, 1916 (12 U. S. C. A. § 641  
 311 et seq.);

312 Consolidated bonds of the twelve Federal Land Banks issued  
 313 under and pursuant to the above-mentioned Act of Congress as now  
 314 or hereafter amended and known as the "Federal farm loan act";

#### CERTIFICATES OF DEPOSIT AND SAVING ACCOUNTS

315 q. Interest-bearing time certificates of deposit of, or by making  
 316 interest-bearing time deposits in a banking institution as defined  
 317 in section 1 of chapter 67 of the laws of 1948 (The Banking Act of  
 318 1948), including, where the fiduciary is such a banking institution,  
 319 such certificates of deposit of such banking institution itself or such  
 320 deposits with itself in its banking department; provided, that the  
 321 amount of each such certificate of deposit and the amount of each  
 322 such deposit is insured in full, pursuant to any law of the United

323 States providing for the insurance of deposits in banking  
324 institutions;

INVESTMENTS LEGAL FOR SAVINGS BANK

325 r. Any loans or securities which are or hereafter may be made  
326 lawful investments under the statutes of this State, for savings  
327 banks of this State;

SHARES OF SAVINGS AND LOAN ASSOCIATIONS

328 s. Shares of or accounts in savings and loan associations organ-  
329 ized under the laws of this State, or Federal savings and loan  
330 associations organized under the laws of the United States, the  
331 principal office of which is located in New Jersey; provided, that  
332 the accounts of the association whether State or Federally  
333 chartered are insured by the Federal Savings and Loan Insurance  
334 Corporation, pursuant to Title 4 of an Act of Congress entitled  
335 "national housing act"; approved June 27, 1934 (12 U. S. C. A.  
336 § 1724 et seq.), supplemented or amended, or by any other corpora-  
337 tion created or organized under the laws of the United States, which  
338 corporation is an instrumentality of the United States; provided,  
339 however, that such investment shall not exceed the aggregate  
340 amount for which any member or investor of any such association  
341 shall be insured;

BONDS SECURED BY MORTGAGE ON LANDS ACQUIRED

AT TAX SALE

342 t. Bonds secured by mortgage, which shall be a first lien upon  
343 real estate, the title to which shall have been secured by the owner  
344 or prior owners through a certificate of tax sale foreclosed in the  
345 former Court of Chancery or the Superior Court of New Jersey;  
346 provided, the real estate shall be estimated to be worth at least twice  
347 the amount loaned, and the rate of interest is not less than 3% nor  
348 greater than **[6%]** *the legal rate per annum*;

TRUST MORTGAGES AND PARTICIPATION CERTIFICATES

349 u. Shares or parts of bonds secured by mortgage or bonds  
350 secured by trust mortgage; and participation certificates or coupon  
351 bonds which entitle the holder to a proportionate share in a series  
352 or number of mortgages and bonds, or extensions or renewals  
353 thereof, deposited under a trust agreement with a trust company,  
354 bank or title guarantee corporation organized under the laws of  
355 this State, or a national bank authorized to do business in this  
356 State; provided, that the securities authorized in this paragraph u

357 shall be a first lien upon improved real estate and the amount  
 358 secured by the mortgages shall not, at the time the loan is made,  
 359 exceed 60% of the estimated worth of the real estate covered by the  
 360 respective mortgages and the rate of interest not less than three  
 361 nor greater than ~~6%~~ *the legal rate* per annum; and provided  
 362 further, that no share or part of such bonds and mortgages or bonds  
 363 secured by such trust mortgage shall be subordinate to any other  
 364 bonds issued thereunder or subordinate to any prior interest  
 365 therein; and provided further, that bonds and mortgages in parts  
 366 of which a fiduciary invests trust funds or, in the case of trust  
 367 mortgages, the trust mortgage, together with any guarantees of  
 368 payment, insurance policies and other instruments and evidences  
 369 of title relating thereto, shall be held for the benefit of the fiduciary  
 370 and any other persons interested therein, by a trust company, bank  
 371 or title guarantee corporation authorized to do business in this  
 372 State, or jointly by such a corporation and an individual who is a  
 373 citizen and bona fide resident of this State, and, in mortgages other  
 374 than trust mortgages, there shall be executed by such corporation  
 375 and delivered to each person who becomes interested in the bond  
 376 and mortgage, a certificate stating that the corporation, or corpora-  
 377 tion and individual jointly, as the case may be, holds the instru-  
 378 ments for the benefit of the fiduciary and any other persons therein  
 379 interested, among whom may be included the aforesaid corporation  
 380 or individual. A corporation or a corporation and an individual  
 381 jointly, issuing certificates pursuant to this paragraph, shall keep  
 382 a record in proper books of account of all such certificates issued  
 383 by it.

WHEN SECTION NOT APPLICABLE; POWER OF  
 COURT TO DIRECT INVESTMENTS IN  
 NONLEGAL SECURITIES

384 v. The provisions of this section shall not apply where any trust  
 385 instrument, will, or court having jurisdiction of the matter,  
 386 specially directs in what securities or investments the trust fund  
 387 shall be invested. The court to which the fiduciary is accountable  
 388 shall have the power specially to direct, from time to time, addi-  
 389 tional securities or investments in which he may invest. An invest-  
 390 ment made in accordance with such special directions shall be  
 391 legal, and no fiduciary shall be liable for loss occasioned by his  
 392 compliance therewith.

1 2. This act shall take effect immediately.