

HOUSE No. 1473

By Mr. Carey of Boston (by request), petition of the Credit Union League of Massachusetts, Inc., relative to the payment of taxes and betterment assessments of first mortgages in credit unions. Banks and Banking.

The Commonwealth of Massachusetts

In the Year One Thousand Nine Hundred and Seventy-Two.

AN ACT FURTHER AMENDING THE GRANTING OF FIRST MORTGAGES IN CREDIT UNIONS.

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

1 Section 24 (B) paragraph (a) sub-paragraph (3) of the Gen-
2 eral Laws is amended by striking out said sub-paragraph (3)
3 and inserting in place thereof the following sub-paragraph
4 (3): —

5 (3) A mortgage loan not exceeding eighty per cent of the
6 value of the real estate, payable not more than twenty-five
7 years from the date of the note, provided that the terms of the
8 note or mortgage require monthly payments in such amounts
9 that the aggregate principal reduction at any time during the
10 term of the loan shall not be less than that which would be
11 required in the case of a note of like amount and interest rate
12 providing for complete amortization by equal payments over a
13 period of twenty-five years, which payments shall be first
14 applied to interest and the balance thereafter remaining applied
15 to principal. Interest upon each such loan shall be computed
16 monthly on the unpaid balance. The note or mortgage shall
17 contain a provision requiring the payment each month of a
18 proportionate part of the estimated real estate taxes and better-
19 ment assessments. If the mortgage does not exceed fifty per

20 cent of the value of the property it shall not be necessary to
 21 collect taxes and betterment assessments. Notwithstanding the
 22 limitations contained herein a credit union which is a member
 23 of the Massachusetts Credit Union Share Insurance Corporation
 24 and whose shares and deposits aggregate more than two million
 25 dollars may make a mortgage loan for a period of not more
 26 than thirty years from the date of the note.