

town and institutions in the same proportion as assessed, and any deficit on account of any year shall be assessed in the following year in the same proportion as for the year in which the deficit occurred.

The annual apportionments so determined, both for the cost of construction and for maintenance and operation, shall in the case of each of said cities, town and institutions be added together and before the fifteenth day of February, the treasurer of said district shall notify each city, town and institution of the amount to be paid by it at the same time that it notifies said cities, town and institutions of other payments due it under said chapter three hundred and thirty-nine of the acts of nineteen hundred and twenty-five and amendments thereto, and shall in writing demand that such amount be paid on or before the first day of November in that year, and said amount shall be so paid; and in case of failure to pay after a written demand therefor, said district may recover such amount in contract from the cities, town and institutions liable to pay the same.

After the apportionment has been made, and written demand made as aforesaid, the treasurer of said district, with approval of at least two thirds of the board, may borrow from time to time in anticipation of the payment of the amounts so assessed on said cities, town and institutions, and to be paid to it as aforesaid, but any such loan shall mature not later than the fifteenth day of November in the same year. In case any of said cities, said town or said institutions for any reason shall not pay on or before the first day of November in any year the amount apportioned to it as aforesaid, the board, on or after the first day of November in such year, through said treasurer and with approval as aforesaid, may borrow from time to time in anticipation of the payment of any and all unpaid assessments therefor, and may issue notes therefor and may refund or renew such notes from time to time until all of such assessments shall have been fully paid, and may pay interest on all such notes, which interest payment shall be included in the next subsequent apportionment.

SECTION 8. During periods of construction under this act, each member of said board, other than the chairman, shall receive from said district, in addition to any other compensation, annual compensation of nine hundred dollars.

SECTION 9. No actual construction work under this act shall commence until federal and state grants in a substantial portion, as determined by said board, of the costs of said construction have been authorized.

Approved July 16, 1969.

Chap. 517. AN ACT REVISING THE LAWS RELATIVE TO THE DISCLOSURE OF CONSUMER CREDIT COSTS AND TERMS.

Whereas, The deferred operation of this act would tend to defeat its purpose which is to provide forthwith that the laws of the commonwealth relative to the disclosure of consumer credit costs and terms be brought into conformity with federal law and regulations, and to provide forthwith for the promulgation of certain rules and regulations by the commissioner of banks, therefore it is hereby declared to

be an emergency law, necessary for the immediate preservation of the public convenience.

Be it enacted, etc., as follows:

SECTION 1. The General Laws are hereby amended by inserting after chapter 140B the following chapter:—

CHAPTER 140C.

CONSUMER CREDIT COST DISCLOSURE.

Section 1. For the purposes of this chapter, the following words shall, unless the context indicates otherwise, have the following meanings:—

(a) "Advertisement", any commercial message in any newspaper, magazine, leaflet, flyer or catalog, on radio, television or public address system, in direct mail literature or other printed material, on any interior or exterior sign or display, in any window display, in any point-of-transaction literature or price tag which is delivered or made available to a customer or prospective customer in any manner whatsoever.

(b) "Agricultural purpose", a purpose related to the production, harvest, exhibition, marketing, transportation, processing or manufacture of agricultural products by a natural person who cultivates, plants, propagates or nurtures those agricultural products. "Agricultural products" includes agricultural, horticultural, viticultural and dairy products, livestock, wildlife, poultry, bees, forest products, fish and shellfish, and any products thereof, including processed and manufactured products, and any and all products raised or produced on farms and any processed or manufactured products thereof.

(c) "Amount financed", the amount of credit of which the customer will have the actual use determined in accordance with paragraph (7) of subsection (c) of section seven and clause (1) of subsection (d) of section seven.

(d) "Annual percentage rate", the annual percentage rate of finance charge determined in accordance with section four.

(e) "Arrange for the extension of credit", to provide or offer to provide consumer credit which is or will be extended by another person under a business or other relationship pursuant to which the person arranging such credit receives or will receive a fee, compensation or other consideration for such service or has knowledge of the credit terms and participates in the preparation of the contract documents required in connection with the extension of credit. It shall not include honoring a credit card or similar device where no finance charge is imposed at the time of that transaction.

(f) "Billing cycle", the time interval between regular periodic billing statement dates. Such intervals may be considered equal intervals of time unless a billing date varies more than four days from the regular date.

(g) "Board", the Board of Governors of the Federal Reserve System.

(h) "Cash price", the price at which the creditor offers, in the ordinary course of business, to sell for cash the property or services which are the subject of a consumer credit transaction. It may include the cash price of accessories or services related to the sale such as delivery, installation, alterations, modifications and improvements, and may include taxes to the extent imposed on the cash sale, but shall not include any other charges of the types described in section three.

(i) "Commissioner", the commissioner of banks.

(j) "Consumer credit", credit offered or extended to a natural person, in which the money, property or service which is the subject of the transaction is primarily for personal, family, household or agricultural purposes and for which either a finance charge is or may be imposed or which, pursuant to an agreement, is or may be payable in more than four instalments. "Consumer loan" is one type of "consumer credit".

(k) "Credit", the right granted by a creditor to a customer to defer payment of debt, incur debt and defer its payment, or purchase property or services and defer payment therefor.

(l) "Creditor", a person who in the ordinary course of business regularly extends or arranges for the extension of consumer credit, or offers to extend or arrange for the extension of such credit.

(m) "Credit sale", any sale with respect to which consumer credit is extended or arranged by the seller. The term includes any contract in the form of a bailment or lease if the bailee or lessee contracts to pay as compensation for use a sum substantially equivalent to or in excess of the aggregate value of the property and services involved and it is agreed that the bailee or lessee will become, or for no other or for a nominal consideration has the option to become, the owner of the property upon full compliance with his obligations under the contract.

(n) "Customer", a natural person to whom consumer credit is offered or to whom it is or will be extended, and includes a comaker, endorser, guarantor, or surety for such natural person who is or may be obligated to repay the extension of consumer credit.

(o) "Dwelling", a residential-type structure which is real property and contains one or more family housing units, or a residential condominium unit wherever situated.

(p) "Federal Consumer Credit Protection Act", the Consumer Credit Protection Act (Public Law 90-321; 82 Statute 146), as amended.

(q) "Finance charge", the cost of credit determined in accordance with section three.

(r) "Open end credit", consumer credit extended on an account pursuant to a plan under which (1) the creditor may permit the customer to make purchases or obtain loans, from time to time, directly from the creditor or indirectly by use of a credit card, check or other device, as the plan may provide; (2) the customer has the privilege of paying the balance in full or in instalments; and (3) a finance charge may be computed by the creditor, from time to time, on an outstanding unpaid balance. The term does not include negotiated advances under an open end real estate mortgage or a letter of credit.

(s) "Organization", a corporation, trust, estate, partnership, cooperative, association, government, or governmental subdivision, agency, or instrumentality.

(t) "Period", a day, week, month or other subdivision of a year.

(u) "Periodic rate", a percentage rate of finance charge which, under an open end credit plan, is or may be imposed by a creditor against a balance for a period.

(v) "Person", a natural person or an organization.

(w) "Real property", property which is real property under the law of the state in which it is located.

(x) "Real property transaction", an extension of credit in connection with which a security interest in real property is or will be retained or acquired.

(y) "Residence", any real property in which the customer resides or expects to reside, including a parcel of land on which the customer resides or expects to reside.

(z) "Security interest" and "security", any interest in property which secures payment or performance of an obligation. The terms include, but are not limited to, security interests under the Uniform Commercial Code, real property mortgages, deeds of trust and other consensual or confessed liens whether or not recorded, mechanic's, materialmen's, artisan's, and other similar liens, vendor's liens in both real and personal property, the interest of a seller in a contract for the sale of real property, any lien on property arising by operation of law, and any interest in a lease when used to secure payment or performance of an obligation.

(aa) Unless the context indicates otherwise, "credit" shall be construed to mean "consumer credit", "loan" to mean "consumer loan" and "transaction" to mean "consumer credit transaction".

(bb) A transaction shall be considered consummated at the time a contractual relationship is created between a creditor and a customer irrespective of the time of performance of either party.

Section 2. This chapter shall not apply to the following:—

(a) Extensions of credit to organizations, including governments, or for business or commercial purposes, other than agricultural purposes.

(b) Transactions in securities or commodities accounts with a broker-dealer registered with the Securities and Exchange Commission.

(c) Credit transactions other than real property transactions, in which the amount financed exceeds twenty-five thousand dollars, or in which the transaction is pursuant to an express written commitment by the creditor to extend credit in excess of twenty-five thousand dollars. For this purpose, the amount financed is the amount which is required to be disclosed under paragraph (7) of subsection (c) or clause 1 of subsection (d), as applicable, of section seven, or would be so required if the transaction were subject to this chapter.

(d) Transactions under public utility tariffs involving services provided through pipe, wire or other connected facilities, if the charges for such public utility services, the charges for delayed payment and any discount allowed for early payment are filed with, reviewed by, or regulated by an agency of the federal government, the commonwealth or a political subdivision of either.

Section 3. (a) Except as otherwise provided in this section, the amount of the finance charge in connection with any transaction shall be determined as the sum of all charges, payable directly or indirectly by the customer, and imposed directly or indirectly by the creditor as an incident to or as a condition of the extension of credit, whether paid or payable by the customer, the seller or any other person on behalf of the customer to the creditor or to a third party, including any of the following types of charges:

(1) Interest, time price differential, and any amount payable under a discount or other system of additional charges.

(2) Service, transaction, activity, or carrying charge, including any charges imposed by the creditor in connection with a checking account to the extent that such charges exceed any charges the customer is required to pay in connection with such an account when it is not being used to extend credit.

(3) Loan fee, points, finder's fee, or similar charge.

(4) Fee for an appraisal, investigation, or credit report.

(5) Charges or premiums for credit life, accident, health, or loss of income insurance, written in connection with any credit transaction unless (i) the insurance coverage is not required by the creditor and this fact is clearly and conspicuously disclosed in writing to the customer; and (ii) any customer desiring such insurance coverage gives specific dated and separately signed affirmative written indication of such desire after receiving written disclosure to him of the cost of such insurance.

(6) Charges or premiums for insurance, written in connection with any credit transaction, against loss of or damage to property or against liability arising out of the ownership or use of property, unless a clear, conspicuous and specific statement in writing is furnished by the creditor to the customer setting forth the cost of the insurance if obtained from or through the creditor and stating that the customer may choose the person through which the insurance is to be obtained.

(7) Premium or other charge for any other guarantee or insurance protecting the creditor against the customer's default or other credit loss.

(8) Any charge imposed by a creditor upon another creditor for purchasing or accepting an obligation of a customer if the customer is required to pay any part of that charge in cash, as an addition to the obligation, or as a deduction from the proceeds of the obligation.

(b) If itemized and disclosed to the customer, any charges of the following types need not be included in the finance charge:

(1) Fees and charges prescribed by law which actually are or will be paid to public officials for determining the existence of or for perfecting or releasing or satisfying any security related to the credit transaction.

(2) The premium payable for any insurance in lieu of perfecting any security interest otherwise required by the creditor in connection with the transaction, if the premium does not exceed the fees and charges described in clause (1) of this subsection which would otherwise be payable.

(3) Taxes not included in the cash price.

(4) License, certificate of title and registration fees imposed by law.

(c) A late payment, delinquency, default, reinstatement or other such charge is not a finance charge if imposed for actual unanticipated late payment, delinquency, default or other such occurrence.

(d) A charge imposed by a bank for paying checks which overdraw or increase an overdraft in a checking account is not a finance charge unless the payment of such checks and the imposition of such finance charge were previously agreed upon in writing.

(e) The following charges in connection with any real property transaction, provided they are bona fide, reasonable in amount and not for the purpose of circumvention or evasion of this chapter, shall not be included in the finance charge with respect to that transaction:

(1) Fees or premiums for title examination, abstract of title, title insurance, or similar purposes and for required related property surveys.

(2) Fees for preparation of deeds, settlements statements, or other documents.

(3) Amounts required to be placed or paid into an escrow or trustee account for future payments of taxes, insurance, and water, sewer, and land rents.

(4) Fees for notarizing deeds and other documents.

(5) Appraisal fees.

(6) Credit reports.

(f) Interest, dividends, or other income received or to be received by the customer on deposits or on investments in real or personal property in which a creditor holds a security interest shall not be deducted from the amount of the finance charge or taken into consideration in computing the annual percentage rate.

(g) Obligations other than those debited to an open end credit account which are payable on demand shall be considered to have a maturity of one half year for the purpose of computing the amount of the finance charge and the annual percentage rate, except that where such an obligation is alternatively payable upon a stated maturity, the stated maturity shall be used for the purpose of such computations.

(h) If any insurance premium is required to be included as a part of the finance charge, the amount to be included shall be the premium for coverage extending over the period of time the creditor will require the customer to maintain such insurance. For this purpose, rates and classifications applicable at the time the credit is extended shall be applied over the full time during which coverage is required, unless the creditor knows or has reason to know that other rates or classifications will be applicable, in which case such other rates or classifications shall be used to the extent appropriate.

Section 4. (a) The annual percentage rates for open end credit accounts shall be computed so as to permit disclosure with an accuracy at least to the nearest quarter of one per cent. Such rate or rates shall be determined in accordance with clause (4) of subsection (a) of section six for purposes of disclosure before opening an account, clause (4) of subsection (c) of section nine for purposes of advertising, and in the following manner for purposes of disclosures on periodic statements:

(1) Where the finance charge is exclusively the product of the application of one or more periodic rates (i) by multiplying each

periodic rate by the number of periods in a year; or (ii) at the creditor's option, if the finance charge is the result of the application of two or more periodic rates, by dividing the total finance charge for the billing cycle by the sum of the balances to which the periodic rates were applied and multiplying the quotient (expressed as a percentage) by the number of billing cycles in a year.

(2) Where the creditor imposes all periodic finance charges in amounts based on specified ranges or brackets of balances, the periodic rate shall be determined by dividing the amount of the finance charge for the period by the amount of the median balance within the range or bracket of balances to which it is applicable, and the annual percentage rate shall be determined by multiplying that periodic rate (expressed as a percentage) by the number of periods in a year. Such ranges or brackets of balances shall be subject to the limitations prescribed in clause (iv) of paragraph (2) of subsection (c) of this section.

(3) Where the finance charge is or includes a minimum, fixed or other charge not due to the application of a periodic rate, and (i) exceeds fifty cents for a monthly or longer billing cycle, or the pro rata part of fifty cents for a billing cycle shorter than monthly, by dividing the total finance charge for the billing cycle by the amount of the balance to which applicable and multiplying the quotient (expressed as a percentage) by the number of billing cycles in a year; or (ii) does not exceed fifty cents for a monthly or longer billing cycle, or the pro rata part of fifty cents for a billing cycle shorter than monthly, by multiplying each applicable periodic rate by the number of periods in a year, irrespective of the imposition of such minimum, fixed or other charge.

(b) Except as otherwise provided in this section, the annual percentage rate applicable to any extension of credit, other than open end credit, shall be that nominal annual percentage rate determined as follows:

(1) In accordance with the actuarial method of computation so that it may be disclosed with an accuracy at least to the nearest quarter of one per cent. The mathematical equation and technical instructions for determining the annual percentage rate in accordance with the requirements of this subsection shall be those prepared by the board pursuant to the Federal Consumer Credit Protection Act and those promulgated by the commissioner under this chapter.

(2) At the option of the creditor, by application of the United States Rule so that it may be disclosed with an accuracy at least to the nearest quarter of one per cent. Under this rule, the finance charge is computed on the unpaid balance for the actual time the balance remains unpaid and if the amount of a payment is insufficient to pay the accumulated finance charge, the unpaid accumulated finance charge continues to accumulate to be paid from the proceeds of subsequent payments and is not added to the amount financed.

(c) (1) The annual percentage rate tables produced by the board pursuant to the Federal Consumer Credit Protection Act may be used to determine the annual percentage rate, and any such rate determined from these tables in accordance with instructions contained therein will comply with the requirements of this section.

(2) Any chart or table other than the *board's annual percentage rate tables* may be utilized for the purpose of determining the annual percentage rate provided (i) it is prepared in accordance with the provisions of clause (1) or clause (2) of subsection (b) of this section; (ii) it bears the name and address of the person responsible for its production, an identification number assigned to it by that person which shall be the same for each chart or table so produced with like numerical content and configuration and, if prepared for use in connection with irregular transactions, an identification of the method of computation ("Actuarial" or "U. S. Rule"); (iii) except as provided in subclause (iv), it permits determination of the annual percentage rate to the nearest one quarter of one per cent for the range of rates covered by the chart or table; and (iv) if applicable to ranges or brackets of balances, it discloses the amount of the finance charge and the annual percentage rate on the median balance within each range or bracket of balances where a creditor imposes the same finance charge for all balances within a specified range or bracket of balances, and provided further that if the annual percentage rate determined on the median balance understates the annual percentage rate determined on the lowest balance in that range or bracket by more than eight per cent of the rate on the lowest balance, then the annual percentage rate for that range or bracket shall be computed upon any balance lower than the median balance within that range so that any understatement will not exceed eight per cent of the rate on the lowest balance within that range or bracket of balances.

(3) If an error in disclosure of the amount of a finance charge or an annual percentage rate occurs because of a corresponding error in a chart or table acquired or produced in good faith by the creditor, that error in disclosure shall not, in itself, be considered a violation of this chapter provided that upon discovery of the error that creditor makes no further disclosure based on that chart or table, promptly notifies the commissioner in writing of such error and identifies the inaccurate chart or table by giving the name and address of the person responsible for its production and its identification number.

(d) In determining the annual percentage rate a creditor may, at his option, consider the payment irregularities set forth in this subsection as if they were regular in amount or time, as applicable, provided that the transaction to which they relate is otherwise payable in equal instalments scheduled at equal intervals.

(1) If the period from the date on which the finance charge begins to accrue and the date the final payment is due is not less than three months in the case of weekly payments, six months in the case of biweekly or semimonthly payments, or one year in the case of monthly payments, either or both of the following:

(i) The amount of one payment other than any down payment is not more than fifty per cent greater nor fifty per cent less than the amount of a regular payment; or

(ii) The interval between the date on which the finance charge begins to accrue and the date the first payment is due is not less than five days for an obligation otherwise payable in weekly instalments, not less than ten days for an obligation otherwise payable in biweekly or semimonthly instalments, or not less than twenty days for an obligation otherwise payable in monthly instalments.

(2) If the period from the date on which the finance charge begins to accrue and the date the final payment is due is less than three months in the case of weekly payments, six months in the case of biweekly or semimonthly payments, or one year in the case of monthly payments, either or both of the following:

(i) The amount of one payment other than any down payment is not more than twenty-five per cent greater nor twenty-five per cent less than the amount of a regular payment; or

(ii) The interval between the date on which the finance charge begins to accrue and the date the first payment is due is not less than six days for an obligation otherwise payable in weekly instalments, not less than twelve days for an obligation otherwise payable in biweekly or semimonthly instalments, or not less than twenty-five days for an obligation otherwise payable in monthly instalments.

(e) In an exceptional instance when circumstances may leave a creditor with no alternative but to determine an annual percentage rate applicable to an extension of credit other than open end credit by a method other than those prescribed in subsections (b) or (c), the creditor may utilize the constant ratio method of computation provided such use is limited to the exceptional instance and is not for the purpose of circumvention or evasion of the requirements of this chapter.

However, a creditor, for the purposes of this chapter, may utilize, generally and regularly, the constant ratio method of computation in the case of a finance charge which

(i) does not exceed five dollars and is applicable to an amount financed not exceeding seventy-five dollars, or

(ii) does not exceed seven dollars and fifty cents and is applicable to an amount financed exceeding seventy-five dollars.

Section 5. (a) The disclosures required to be given by this chapter shall be made clearly, conspicuously, in meaningful sequence, in accordance with the further requirements of this section, and at the time and in the terminology prescribed in applicable sections. Where the terms "finance charge" and "annual percentage rate" are required to be used, they shall be printed more conspicuously than other terminology required by this chapter. Except with respect to the requirements of section nine, all numerical amounts and percentages shall be stated in figures and shall be printed in not less than the equivalent of 10 point type, seventy-five one thousandths inch computer type, or elite size typewritten numerals, or shall be legibly handwritten.

(b) At the creditor's option, additional information or explanations may be supplied with any disclosure required by this chapter, but none shall be stated, utilized or placed so as to mislead or confuse the customer or contradict, obscure or detract attention from the information required by this chapter to be disclosed.

(c) If there is more than one creditor in a transaction, each creditor shall be clearly identified and shall be responsible for making only those disclosures required by this chapter which are within his knowledge and the purview of his relationship with the customer. If two or more creditors make a joint disclosure, each creditor shall be clearly identified. The disclosure required under subsections (b) and (c) of section seven shall be made by the seller if he extends or

arranges for the extension of credit. Otherwise, disclosure shall be made as required under subsections (b) and (d) of said section seven.

(d) In any transaction other than a transaction which may be rescinded under the provisions of section eight, if there is more than one customer, the creditor need furnish a statement of disclosure required by this chapter to only one of them other than an endorser, comaker, guarantor, or a similar party.

(e) If at the time disclosures must be made, an amount or other item of information required to be disclosed, or needed to determine a required disclosure, is unknown or not available to the creditor, and the creditor has made a reasonable effort to ascertain it, the creditor may use an estimated amount or an approximation of the information, provided the estimate or approximation is clearly identified as such, is reasonable, is based on the best information available to the creditor and is not used for the purpose of circumventing or evading the disclosure requirements of this chapter. Accurate information previously estimated shall be given to the customer as soon as practicable after it is available, and if finance charge or annual percentage rate has been estimated, the customer shall be obligated for the lesser of the estimated or accurate amounts.

However, on or before the due date of the first instalment all such information must be furnished to the customer in writing.

(f) If information disclosed in accordance with this chapter is subsequently rendered inaccurate as the result of any act, occurrence or agreement subsequent to the delivery of the required disclosures, the inaccuracy resulting therefrom shall not constitute a violation of this chapter.

(g) The disclosure of the amount of the finance charge or a percentage which is greater than the amount of the finance charge or percentage required to be disclosed under this chapter does not in itself constitute a violation of this chapter, provided that the overstatement is not for the purpose of circumvention or evasion of disclosure requirements.

(h) In other than open end credit, evidence of compliance with the requirements imposed under this chapter, other than advertising requirements under section nine, shall be preserved by the creditor for a period of not less than two years after the date of the final entry with respect to the credit transaction. In open end credit, evidence of compliance with the requirements imposed under this chapter, other than advertising requirements under section nine, shall be preserved by the creditor for a period of not less than two years after the date each disclosure is required to be made. Each creditor shall, when directed by the commissioner, permit the commissioner or his duly authorized representative to inspect its relevant records and evidence of compliance with this chapter.

Section 6. (a) Before the first transaction is made on any open end credit account, the creditor shall disclose to the customer in a single written statement, which the customer may retain, in terminology consistent with the requirements of subsection (b), each of the following items, to the extent applicable: (1) the conditions under which a finance charge may be imposed, including an explanation of the time period, if any, within which any credit extended may be paid

without incurring a finance charge; (2) the method of determining the balance upon which a finance charge may be imposed; (3) the method of determining the amount of the finance charge, including the method of determining any minimum, fixed, check service, transaction, activity, or similar charge, which may be imposed as a finance charge; (4) where one or more periodic rates may be used to compute the finance charge, each such rate, the range of balances to which it is applicable, and the corresponding annual percentage rate determined by multiplying the periodic rate by the number of periods in a year; (5) the conditions under which any other charges may be imposed and the method by which they will be determined; (6) the conditions under which the creditor may retain or acquire any security interest in any property to secure the payment of any credit extended on the account, and a description or identification of the type of the interest or interests which may be so retained or acquired; and (7) the minimum periodic payment required.

(b) Except in the case of an account which the creditor deems to be uncollectible or with respect to which delinquency collection procedures have been instituted, the creditor of any open end credit account shall mail or deliver to the customer, for each billing cycle at the end of which there is an outstanding debit balance in excess of one dollar in that account or with respect to which a finance charge is imposed, a statement or statements which the customer may retain, setting forth, in accordance with subsection (c), each of the following items to the extent applicable:

(1) The outstanding balance in the account at the beginning of the billing cycle, using the term "previous balance";

(2) The amount and date of each extension of credit or the date such extension of credit is debited to the account during the billing cycle and, unless previously furnished, a brief identification of any goods or services purchased or other extension of credit;

(3) The amounts credited to the account during the billing cycle for payments, using the term "payments", and for other credits including returns, rebates of finance charges, and adjustments, using the term "credits", and unless previously furnished a brief identification of each of the items included in such other credits;

(4) The amount of any finance charge, using the term "finance charge", debited to the account during the billing cycle, itemized and identified to show the amounts, if any, due to the application of periodic rates and the amount of any other charge included in the finance charge, such as a minimum, fixed, check service, transaction, activity, or similar charge, including any charges imposed by the creditor for the issuance, payment, or handling of checks, for account maintenance or otherwise, to the extent that such charges exceed any similar charges the customer is required to pay when an account is not being used to extend credit, using appropriate terminology to identify such charges;

(5) Each periodic rate, using the term "periodic rate", that may be used to compute the finance charge (whether or not applied during the billing cycle), and the range of balances to which it is applicable;

(6) The annual percentage rate or rates determined under subsection (a) of section four, using the term "annual percentage rate", and, where there is more than one rate, the amount of the balance to which

each rate is applicable. Where the creditor of the open end credit account imposes finance charges with respect to specific transactions during the billing cycle, such charges shall be combined with all other finance charges imposed during the billing cycle, and the annual percentage rate to be disclosed shall be determined by (i) dividing the sum of all of the finance charges imposed during the billing cycle by the sum of the balances to which the periodic rates apply (or by the average of daily balances if a daily periodic rate is used), plus the sum of the amounts financed to which the specific transaction charges apply, and (ii) multiplying the quotient (expressed as a percentage) by the number of billing cycles in a year;

(7) The balance on which the finance charge was computed, and a statement of how that balance was determined. If the balance is determined without first deducting all credits during the billing cycle, that fact and the amount of such credits shall also be disclosed;

(8) The closing date of the billing cycle and the outstanding balance in the account on that date, using the term "new balance", accompanied by the statement of the date by which, or the period, if any, within which, payment must be made to avoid additional finance charges.

(c) The disclosures required by subsection (b) shall be made on the face of the periodic statement, on its reverse side, or on the periodic statement supplemented by separate statement forms provided they are enclosed together and delivered to the customer at the same time, and provided further that

(1) The disclosure required by item (1) of subsection (b), the amounts or respective totals of the amounts required to be disclosed under items (2), (3) and (4) of subsection (b), and the disclosure required under items (6) and (8) of said subsection (b) appear on the face of the periodic statement. If the amounts and dates of the charges and credits required to be disclosed under said items (2) and (3) are not itemized on the face or reverse side of the periodic statement, they shall be disclosed on a separate statement or separate slips which shall accompany the periodic statement and identify each charge and credit and show the date and amount thereof. If the disclosures required under item (4) of said subsection (b) are not itemized on the face or reverse side of the periodic statement, they shall be disclosed on a separate supplemental statement which shall accompany the periodic statement;

(2) The disclosures required by items (5) and (6) of subsection (b) and a reference to the amounts required to be disclosed under items (4) and (7) of said subsection (b), if not disclosed together on the face or the reverse side of the periodic statement, appear together on the face of a single supplemental statement which shall accompany the periodic statement;

(3) The face of the periodic statement contains one of the following notices, as applicable: "NOTICE: See reverse side for important information" or "NOTICE: See accompanying statement(s) for important information" or "NOTICE: See reverse side and accompanying statement(s) for important information"; and

(4) The disclosures are not separated so as to confuse or mislead the customer or obscure or detract attention from the information required to be disclosed.

(d) Any creditor, other than the creditor of the open end credit account, who imposes a finance charge at the time of honoring a customer's credit card, any other device, or form of identification for a purchase of property or services or for a cash advance to be debited to the customer's open end credit account shall make the disclosures required under item (2) of subsection (b) and under subsection (d), both of section seven, at the time of that transaction, and the annual percentage rate to be disclosed shall be determined by dividing the amount of the finance charge by the amount financed and multiplying the quotient (expressed as a percentage) by twelve. If disclosure is made under this subsection, the creditor of the open end credit account need make no further disclosures with respect to the finance charge on that transaction.

(e) If any change is to be made in terms of an open end credit account plan previously disclosed to the customer, the creditor shall mail or deliver to the customer written disclosure of such proposed change not less than thirty days prior to the effective date of such change or thirty days prior to the beginning of the billing cycle within which such change will become effective, whichever is the earlier date.

(f) In the case of any open end credit account in existence and in which a balance remains unpaid on July one, nineteen hundred and sixty-nine, and which balance is deemed to be collectible and not subject to delinquency collection procedures, the items described in subsection (a), to the extent applicable, shall be disclosed in a notice mailed or delivered to the customer not later than July thirty-one, nineteen hundred and sixty-nine. If a customer subsequently utilizes such an account in existence on July one, nineteen hundred and sixty-nine, in which no balance remained unpaid on that date, and a notice required by subsection (a) has not previously been furnished that customer, then such notice shall be mailed or delivered to that customer before or with the next billing on that account.

Section 7. (a) Any creditor when extending credit other than open end credit shall, in accordance with section five and to the extent applicable, make the disclosures required by this section with respect to any transaction consummated on or after July one, nineteen hundred and sixty-nine. Except as provided in subsections (g) and (h), such disclosures shall be made before the transaction is consummated. At the time disclosures are made, the creditor shall furnish the customer with a duplicate of the instrument or a statement by which the required disclosures are made and on which the creditor is identified. All disclosures shall be made together on either (1) the note or other instrument evidencing the obligation on the same side of the page and above or adjacent to the place for the customer's signature; or (2) except as otherwise provided in chapters two hundred and fifty-five B, two hundred and fifty-five C and two hundred and fifty-five D, one side of a separate statement which identifies the transaction.

(b) In any transaction subject to this section, the following items, as applicable, shall be disclosed:

(1) The date on which the finance charge begins to accrue if different from the date of the transaction;

(2) The finance charge expressed as an annual percentage rate, using the term "annual percentage rate";

(3) The number, amount and due dates or periods of payments scheduled to repay the indebtedness and, except in the case of a loan secured by a first lien or equivalent security interest on a dwelling made to finance the purchase of that dwelling and except in the case of a sale of a dwelling, the sum of such payments using the term, "total of payments". If any payment is more than twice the amount of an otherwise regularly scheduled equal payment, the creditor shall identify the amount of such payment by the term "balloon payment" and shall state the conditions, if any, under which that payment may be refinanced if not paid when due;

(4) The amount, or method of computing the amount, of any default, delinquency or similar charges payable in the event of late payments;

(5) A description or identification of the type of any security interest held or to be retained or acquired by the creditor in connection with the extension of credit, and a clear identification of the property to which the security interest relates or, if such property is not identifiable, an explanation of the manner in which the creditor retains or may acquire a security interest in such property which the creditor is unable to identify. In any such case where a clear identification of such property cannot properly be made on the disclosure statement due to the length of such identification, the note, other instrument evidencing the obligation or separate disclosure statement shall contain reference to a separate pledge agreement, or a financing statement, mortgage, deed of trust, or similar document evidencing the security interest, a copy of which shall be furnished to the customer by the creditor as promptly as practicable. If after-acquired property will be subject to the security interest, or if other or future indebtedness is or may be secured by any such property, this fact shall be clearly set forth in conjunction with the description or identification of the type of security interest held, retained or acquired;

(6) A description of any penalty charge that may be imposed by the creditor or his assignee for prepayment of the principal of the obligation (such as a real estate mortgage) with an explanation of the method of computation of such penalty and the conditions under which it may be imposed; and

(7) Identification of the method of computing any unearned portion of the finance charge in the event of prepayment of the obligation and a statement of the amount or method of computation of any charge that may be deducted from the amount of any rebate of such unearned finance charge that will be credited to the obligation or refunded to the customer.

(c) In the case of a credit sale, in addition to the items required to be disclosed under subsection (b), the following items, as applicable, shall be disclosed:

(1) The cash price of the property or service purchased, using the term "cash price".

(2) The amount of the downpayment itemized, as applicable, as downpayment in money, using the term "cash downpayment", down-

payment in property, using the term "trade-in" and the sum, using the term "total downpayment".

(3) The difference between the amounts described in items (1) and (2), using the term "unpaid balance of cash price".

(4) All other charges, individually itemized, which are included in the amount financed but which are not part of the finance charge.

(5) The sum of the amounts determined under items (3) and (4), using the term "unpaid balance".

(6) Any amounts required to be deducted under subsection (e) using, as applicable, the terms "prepaid finance charge" and "required deposit balance", and, if both are applicable, the total of such items using the term "total prepaid finance charge and required deposit balance".

(7) The difference between the amounts determined under items (5) and (6), using the term "amount financed".

(8) Except in the case of a sale of a dwelling (i) the total amount of the finance charge, with description of each amount included, using the term "finance charge", and (ii) the sum of the amounts determined under items (1) and (4), and under clause (i) of item (8), using the term "deferred payment price".

(d) In the case of a loan or extension of credit which is not a credit sale, in addition to the items required to be disclosed under subsection (b), the following items, as applicable, shall be disclosed:

(1) The amount of credit, excluding items set forth in subsection (e), which will be paid to the customer or for his account or to another person on his behalf, including all charges, individually itemized, which are included in the amount of credit extended but which are not part of the finance charge, using the term "amount financed".

(2) Any amount referred to in subsection (e) required to be excluded from the amount in item (1), using, as applicable, the terms "prepaid finance charge" and "required deposit balance", and, if both are applicable, the total of such items using the term, "total prepaid finance charge and required deposit balance".

(3) Except in the case of a loan secured by a first lien or equivalent security interest on a dwelling and made to finance the purchase of that dwelling, the total amount of the finance charge, with description of each amount included, using the term "finance charge".

(e) The following amounts shall be disclosed and deducted in a credit sale in accordance with item (6) of subsection (c), and in other extensions of credit shall be excluded from the amount disclosed under item (1) of subsection (d), and shall be disclosed in accordance with item (2) of subsection (d):

(1) Any finance charge paid separately, in cash or otherwise, directly or indirectly, to the creditor or with the creditor's knowledge to another person, or withheld by the creditor from the proceeds of the credit extended, which shall nevertheless be included in determining the finance charge under section three.

(2) Any deposit balance or any investment which the creditor requires the customer to make, maintain or increase in a specified amount or proportion as a condition to the extension of credit except (i) an escrow account under clause (3) of subsection (e) of section three, (ii) a deposit balance which will be wholly applied toward

satisfaction of the customer's obligation in the transaction, (iii) a deposit balance or investment which was in existence prior to the extension of credit and which is offered by the customer as security for that extension of credit, (iv) a deposit balance or investment which was acquired or established from the proceeds of an extension of credit made for that purpose upon written request of the customer.

(f) In any case where a first lien or equivalent security interest in real property is retained or acquired by a creditor in connection with the financing of the initial construction of a dwelling, or in connection with a loan to satisfy that construction loan and provide permanent financing of that dwelling, whether or not the customer previously owned the land on which that dwelling is to be constructed, such security interest shall be considered a first lien against that dwelling to finance the purchase of that dwelling.

(g) If a creditor receives a purchase order or a request for an extension of credit by mail, telephone or written communication without personal solicitation, the disclosures required under this section may be made any time not later than the date the first payment is due, provided that (1) in the case of credit sales, the cash price, the downpayment, the finance charge, the deferred payment price, the annual percentage rate and the number, frequency and amount of payments are set forth in or are determinable from the creditor's catalog or other printed material distributed to the public; or (2) in the case of loans or other extensions of credit, the amount of the loan, the finance charge, the total scheduled payments, the number, frequency, and amount of payments, and the annual percentage rate for representative amounts or ranges of credit are set forth in or are determinable from the creditor's printed material distributed to the public, in the contract of loan, or in other printed material delivered or made available to the customer.

(h) If a credit sale is one of a series of transactions made pursuant to an agreement providing for the addition of the amount financed plus the finance charge for the current sale to an existing outstanding balance, then the disclosures required under this section for the current sale may be made at any time not later than the date the first payment for that sale is due, provided that (1) the customer has approved in writing both the annual percentage rate or rates and the method of treating any unearned finance charge on an existing outstanding balance in computing the finance charge or charges; and (2) the creditor retains no security interest in any property as to which he has received payments aggregating the amount of the sale price including any finance charges attributable thereto. For the purposes of this clause, in the case of items purchased on different dates, the first purchased shall be deemed first paid for, and in the case of items purchased on the same date, the lowest priced shall be deemed first paid for.

(i) If a loan is one of a series of advances made pursuant to a written agreement under which a creditor is or may be committed to extend credit to a customer up to a specified amount, and the customer has approved in writing the annual percentage rate or rates, the method of computing the finance charge or charges, and any other terms, the agreement shall be considered a single transaction, and the

disclosures required under this section at the creditor's option need be made only at the time the agreement is executed.

(j) If any existing extension of credit is refinanced, or two or more existing extensions of credit are consolidated, or an existing obligation is increased, such transaction shall be considered a new transaction subject to the disclosure requirements of this chapter. For the purpose of such disclosure, any unearned portion of the finance charge which is not credited to the existing obligation shall be added to the new finance charge and shall not be included in the new amount financed. Any increase in an existing obligation to reimburse the creditor for undertaking the customer's obligation in perfecting, protecting or preserving the security shall not be considered a new transaction subject to this chapter. Any advance for agricultural purposes made under an open end real estate mortgage or similar lien shall not be considered a new transaction subject to the disclosure requirements of this section, provided that (1) the maturity of the advance does not exceed two years; (2) no increase is made in the annual percentage rate previously disclosed; and (3) all disclosures required by this chapter were made at the time the security interest was acquired by the creditor or at any time prior to the first advance made on or following the effective date of this chapter.

(k) Any creditor who accepts a subsequent customer as an obligor under an existing obligation shall make the disclosures required by this chapter to that customer before he becomes so obligated. If the obligation so assumed is secured by a first lien or equivalent security interest on a dwelling, and the assumption is made for the subsequent customer to acquire that dwelling, that obligation shall be considered a loan made to finance the purchase of that dwelling.

(l) In the case of an obligation other than an obligation upon which the amount of the finance charge is determined by the application of a percentage rate to the unpaid balance, if the creditor imposes a charge or fee for deferral or extension, the creditor shall disclose to the customer (1) the amount deferred or extended, (2) the date to which, or the time period for which payment is deferred or extended, (3) the amount of the charge or fee for the deferral or extension, and (4) other charges arising by reason of such deferral or extension which are not part of the deferral charge, including the amount of any additional premium for insurance, and if new or additional insurance coverage is required by the creditor as a condition of such deferral or extension, a description of such new or additional insurance coverage.

(m) Any extension of credit involving a series of single payment obligations shall be considered a single transaction subject to the disclosure requirements of this chapter.

(n) If a creditor transmits a periodic billing statement other than a delinquency notice, payment coupon book, or payment passbook, or a statement, billing, or advice relating exclusively to amounts to be paid by the customer as escrows for payment of taxes, insurance, and water, sewer, and land rents, it shall be in a form which the customer may retain, and it shall set forth (1) the annual percentage rate or rates; and (2) the date by which, or the period, if any, within which payment must be made in order to avoid late payment or delinquency charges.

(o) Except as provided under subsection (c) of section two, the amount of any discount allowed for payment of a single payment obligation on or before a specified date, or charge for delaying payment after a specified date, shall be disclosed on the billing statement as a finance charge imposed on the least amount payable in satisfaction of the obligation (amount financed) for the period of time between the specified date and the due date of the obligation, or in the absence of a designated due date, the date the billing cycle ends. Except as provided in item (2) of subsection (b) of this section, each such billing statement shall, in addition to stating the amount of that "finance charge", using that term, state the "annual percentage rate", using that term, computed so that it may be disclosed with an accuracy to the nearest quarter of one per cent and determined by (1) dividing the amount of the finance charge by the amount financed; (2) dividing the quotient so obtained by the number of days between the specified date and the due date of the obligation, or, in the absence of a designated due date, the date the billing cycle ends; and (3) multiplying the quotient so obtained (expressed as a percentage) by three hundred and sixty-five.

Section 8. (a) Except as otherwise provided in this section, in any credit transaction in which a security interest is or will be retained or acquired in any real property which is used or is expected to be used as the principal residence of the customer, the customer shall have the right to rescind that transaction until midnight of the third business day following the date of consummation of that transaction or the date of delivery of the disclosures required under this section and all other material disclosures required under this chapter, whichever is later, by notifying the creditor by mail, telegram or other writing of his intention to do so. Notification by mail shall be considered given at the time of the mailing; notification by telegram shall be considered given at the time of the filing for transmission; and notification by other writing shall be considered given at the time of the delivery to the creditor's designated place of business. Business day is any calendar day except Sunday, the following federal business holidays: New Year's Day, Washington's Birthday, Memorial Day, Independence Day, Labor Day, Veterans' Day, Thanksgiving and Christmas, and any legal holiday under the laws of the commonwealth.

(b) Whenever a customer has the right to rescind a transaction under subsection (a), the creditor shall notify him of that fact by furnishing him with two copies of the notice set out below, one of which may be used by the customer to cancel the transaction. Such notice shall be printed in capital and lower case letters of not less than twelve point bold-faced type on one side of a separate statement which identifies the transaction to which it relates. Such statement shall also set forth under the heading "Effect of Rescission" a copy of subsection (d). If such copy of subsection (d) appears on the reverse side of the statement, the face of the statement shall state: "See reverse side for important information about your right of rescission". Before furnishing the copies of the notice to the customer, the creditor shall complete both copies with the name of the creditor, the address of the creditor's place of business, the date of consummation of the transaction and the date, not earlier than the third business

the property to the creditor, except that if return of the property in kind would be impracticable or inequitable, the customer shall tender its reasonable value. Tender shall be made at the location of the property or at the residence of the customer, at the option of the customer. If the creditor shall not take possession of the property within ten days after tender by the customer, ownership of the property shall vest in the customer without obligation on his part to pay for it.

(e) A customer may modify or waive his right to rescind a transaction subject to the provisions of this section provided:

(1) The extension of credit is needed in order to meet a bona fide immediate personal financial emergency of the customer;

(2) The customer has determined that a delay of three business days in performance of the creditor's obligation under the transaction will jeopardize the welfare, health or safety of natural persons or endanger property which the customer owns or for which he is responsible; and

(3) The customer furnishes the creditor with a separate dated and signed personal statement describing the situation requiring immediate remedy and modifying or waiving his right of rescission. The use of printed forms for this purpose is prohibited.

(f) For the purpose of this section, "customer" shall include two or more customers if joint ownership is involved, and the right of rescission of the transaction may be exercised by any one of them, in which case the effect of rescission in accordance with subsection (d) shall apply to all of them; and any waiver of the right of rescission provided in subsection (e) shall be invalid unless signed by all of them.

(g) This section shall not apply to:

(1) The creation, retention or assumption of a first lien or equivalent security interest to finance the acquisition of a dwelling in which the customer resides or expects to reside.

(2) A security interest which is a first lien retained or acquired by a creditor in connection with the financing of the initial construction of the residence of the customer, or in connection with a loan committed prior to completion of the construction of that residence to satisfy that construction loan and provide permanent financing of that residence, whether or not the customer previously owned the land on which that residence is to be constructed.

(3) Any lien by reason of its subordination at any time subsequent to its creation, if such lien was exempt from the provisions of this section when it was originally created.

(4) Any advance for agricultural purposes made pursuant to subsection (j) of section seven under an open end real estate mortgage or similar lien, provided the disclosure required under subsection (b) of this section, was made at the time the security interest was acquired by the creditor or at any time prior to the first advance made on or following the effective date of this chapter.

(h) Notwithstanding any rule of evidence, written acknowledgment of receipt of any disclosures required under this chapter by a person to whom a statement is required to be given pursuant to this section does no more than create a rebuttable presumption of delivery thereof.

Section 9. (a) No advertisement to aid, promote or assist directly or indirectly any extension of credit may state (1) that a specific

amount of credit or instalment amount can be arranged unless the creditor usually and customarily arranges or will arrange credit amounts or instalments for that period and in that amount; or (2) that no downpayment or that a specified downpayment will be accepted in connection with any extension of credit, unless the creditor usually and customarily accepts or will accept downpayments in that amount.

(b) If a catalog or other multiple-page advertisement sets forth or gives information in sufficient detail to permit determination of the disclosures required by this section in a table or schedule of credit terms, such catalog or multiple-page advertisement shall be considered a single advertisement provided:

(1) The table or schedule and the disclosures made therein are set forth clearly and conspicuously, and

(2) Any statement of credit terms appearing in any place other than in that table or schedule of credit terms clearly and conspicuously refers to the page or pages on which that table or schedule appears, unless that statement discloses all of the credit terms required to be stated under this section. For the purpose of this clause, cash price is not a credit term.

(c) No advertisement to aid, promote or assist directly or indirectly the extension of open end credit may set forth any of the terms described in subsection (a) of section six or that no downpayment, a specified downpayment, or a specified periodic payment is required on any of the following items unless it also clearly and conspicuously sets forth all the following items in terminology prescribed under subsection (b) of section six:

(1) An explanation of the time period, if any, within which any credit extended may be paid without incurring a finance charge.

(2) The method of determining the balance upon which a finance charge may be imposed.

(3) The method of determining the amount of the finance charge, including the determination of any minimum, fixed, check service, transaction, activity, or similar charge, which may be imposed as a finance charge.

(4) Where one or more periodic rates may be used to compute the finance charge, each such rate, the range of balances to which it is applicable, and the corresponding annual percentage rate determined by multiplying the periodic rate by the number of periods in a year.

(5) The conditions under which any other charges may be imposed, and the method by which they will be determined.

(6) The minimum periodic payment required.

(d) No advertisement to aid, promote or assist directly or indirectly any credit sale including the sale of residential real estate, loan, or other extension of credit, other than open end credit, subject to the provisions of this chapter, shall state (1) the rate of a finance charge unless it states the rate of that charge expressed as an "annual percentage rate", using that term; (2) the amount of the downpayment required or that no downpayment is required, the amount of any instalment payment, the dollar amount of any finance charge, the number of instalments or the period of repayment, or that there is no charge for credit, unless it states all the following items in terminology prescribed under section seven: (i) the cash price or the amount of the loan,

as applicable, (ii) the amount of the downpayment required or that no downpayment is required, as applicable, (iii) the number, amount and due dates or period of payments scheduled to repay the indebtedness if the credit is extended, (iv) the amount of the finance charge expressed as an annual percentage rate, and (v) except in the case of the sale of a dwelling or a loan secured by a first lien on a dwelling to purchase that dwelling, the deferred payment price or the sum of the payments, as applicable.

Section 10. (a) Whoever violates any provision of this chapter shall be punished by a fine of not more than five hundred dollars or by imprisonment for not more than six months, or both, and whoever violates any rule or regulation made hereunder by the commissioner shall be punished by a fine of not more than five hundred dollars.

Whoever willfully and knowingly (1) gives false or inaccurate information or fails to provide information which he is required to disclose under the provisions of this title or any regulation issued thereunder, (2) uses any chart or table authorized by this chapter in such a manner as to consistently understate the annual percentage rate determined under section four, or (3) otherwise fails to comply with any requirement imposed under this chapter, shall be punished by a fine of not more than five thousand dollars or by imprisonment for not more than one year, or both.

(b) Any creditor who fails in connection with any consumer credit transaction to disclose to any person any information required under this chapter or any rule or regulation made thereunder by the commissioner to be disclosed to that person shall be liable to that person in an amount equal twice the amount of the finance charge in connection with the transaction, except that the liability under this clause shall not be less than one hundred dollars nor more than one thousand dollars, and in the case of any successful action to enforce such liability, a reasonable attorney's fee as determined by the court, but a creditor may not be held liable in any action brought under this subsection, if he shows by a preponderance of evidence that such violation was not intentional and resulted from a bona fide error in a mathematical computation, or in the layout or format, size of type or order of clauses contained in such disclosure statement.

(c) Any action which may be brought under this section against the original creditor in any credit transaction involving a security interest in real property may be maintained against any subsequent assignee of the original creditor if the assignee, its subsidiaries or affiliates were in a continuing business relationship with the original creditor either at the time the credit was extended or at the time of the assignment, unless the assignment was involuntary, or unless the assignee shows by a preponderance of evidence that it did not have reasonable grounds to believe that the original creditor was engaged in a violation of this chapter, and that it maintained procedures reasonably adapted to apprise it of the existence of any such violation.

(d) Except as provided in subsection (h) of section eight and except in the case of actions brought under subsection (c) of this section, in any action or proceeding by or against any subsequent assignee of the original creditor without knowledge to the contrary by the assignee when he acquires the obligation, written acknowledgment of receipt by a person to whom a statement is required to be

given pursuant to this chapter shall be conclusive proof of the delivery thereof and, unless the violation is apparent on the face of the statement, of compliance with this chapter. This section does not affect the rights of the obligor in any action against the original creditor.

Section 11. The commissioner may prescribe from time to time such rules and regulations as may be necessary or proper in carrying out the provisions of this chapter. Such rules and regulations may contain such classifications, differentiations or other provisions, and may provide for such adjustments and exceptions for any class of transactions, as in the judgment of the commissioner are necessary or proper to carry out the purposes of this chapter, to prevent circumvention or evasion thereof, or to facilitate compliance therewith; provided, however, that no such rule or regulation shall contain any classification, differentiation or other provision with respect to, or provide for any adjustment or exception for, any class of transaction which would result in less stringent disclosure requirements than afforded that class of transaction under the Federal Consumer Credit Protection Act and Regulation Z issued by the board of governors of the federal reserve system pursuant thereto.

Section 12. A violation of this chapter shall constitute a violation of chapter ninety-three A.

Section 13. This chapter shall be known and may be cited as the Truth-in-Lending Act.

SECTION 2. Chapter one hundred and forty A of the General Laws is hereby repealed.

SECTION 3. Section 1 of chapter 255B of the General Laws is hereby amended by striking out the definition of "Annual finance charge formula", as amended by section 2 of chapter 354 of the acts of 1968, and inserting in place thereof the following two definitions:—

"Amount financed", the amount of credit of which the retail buyer will have the actual use determined in accordance with section seven, subsection (c) (7) of chapter one hundred and forty C.

"Annual percentage rate", the annual percentage rate of finance charge determined in accordance with the provisions of section four of chapter one hundred and forty C.

SECTION 4. Said section 1 of said chapter 255B is hereby further amended by striking out the definition of "Cash sale price", as appearing in section 1 of chapter 674 of the acts of 1958, and inserting in place thereof the following definition:—

"Cash price", the price at which the seller offers, in the ordinary course of business, to sell for cash the property or services which are the subject of a consumer credit transaction. It may include, if itemized, the cash price of accessories or services related to the sale such as delivery, installation, alterations, modification and improvements, and may include taxes to the extent imposed on the cash sale. Itemization may be on a separate statement.

SECTION 5. Said section 1 of said chapter 255B is hereby further amended by striking out the definition of "Finance charge", as so appearing, and inserting in place thereof the following definition:—

"Finance charge", the cost of credit determined in accordance with the provisions of section three of chapter one hundred and forty C.

SECTION 6. Said section 1 of said chapter 255B is hereby further

amended by striking out the definition of "Principal balance", inserted by section 1B of chapter 284 of the acts of 1966.

SECTION 7. Said section 1 of said chapter 255B is hereby further amended by striking out the definition of "Recording charges", as appearing in section 1 of chapter 674 of the acts of 1958, and inserting in place thereof the following definition:—

"Official fees", the fees and charges prescribed by law which actually are or will be paid to a public officer to perfect the security interest or lien, in or on a motor vehicle, retained or taken by a seller under a retail instalment contract, and to file or record a release, satisfaction or discharge of the security interest or lien.

SECTION 8. Section 3 of said chapter 255B is hereby amended by striking out the first sentence, as so appearing, and inserting in place thereof the following two sentences:—The commissioner may prescribe from time to time such rules and regulations as may be necessary or proper in carrying out the provisions of this chapter, the granting of licenses and the renewal thereof and the fees to be charged therefor. Such rules and regulations may contain such classifications, differentiations or other provisions, and may provide for such adjustments and exceptions for any class of transactions, as in the judgment of the commissioner are necessary or proper to carry out the purposes of this chapter, to prevent circumvention or evasion thereof, or to facilitate compliance therewith; provided, however, that no such rule or regulation shall contain any classification, differentiation or other provision with respect to, or provide for any adjustment or exception for, any class of transaction which would result in less stringent disclosure requirements than afforded that class of transaction under the Federal Consumer Credit Protection Act and Regulation Z issued by the board of governors of the federal reserve system pursuant thereto.

SECTION 9. The first paragraph of section 9 of said chapter 255B, as so appearing, is hereby amended by striking out, in lines 5 and 6, the words "printed or written, in a size equal to at least ten point bold type" and inserting in place thereof the words:—conspicuously printed or written,—and by striking out, in lines 9 and 10, the sentence "1. Do not sign this contract before you read it or if it contains any blank space." and inserting in place thereof the following sentence:—
1. Do not sign this contract if any of the spaces intended for the agreed terms to the extent of then available information are left blank.

SECTION 10. Said section 9 of said chapter 255B, as so appearing, is hereby further amended by striking out the last paragraph and inserting in place thereof the following three paragraphs:—

The contract shall also contain the following items:—

(1) The cash price of the motor vehicle purchased, using the term "cash price".

(2) The amount of the downpayment itemized, as applicable, as downpayment in money, using the term "cash downpayment", downpayment in goods, using the term "trade-in", a brief description of the goods, if any, traded in, and the sum, using the term "total downpayment".

(3) The difference between the amounts described in items (1) and (2) using the term "unpaid balance of cash price".

(4) The amount, if any, included for insurance on the motor vehicle, specifying the types of coverage and coverage periods.

(5) The amount, if any, included for other insurance and other benefits specifying the types of coverage and the coverage periods and separately stating each insurance premium.

(6) The amount of official fees.

(7) All other charges, individually itemized, which are included in the amount financed, but which are not part of the finance charge.

(8) The sum of the amounts determined under items (3), (4), (5), (6) and (7), using the term "unpaid balance".

(9) Any amounts required to be deducted under subsection (e) of section seven of chapter one hundred and forty C using, as applicable, the terms "prepaid finance charge" and "required deposit balance", and, if both are applicable, the total of such items using the term "total prepaid finance charge and required deposit balance".

(10) The difference between the amounts determined under items (8) and (9); using the term "amount financed".

(11) The total amount of the finance charge, with description of each amount included, using the term "finance charge", and

(12) The sum of the amounts determined under items (1), (6) and (11) and, if not included in (11), items (4), (5) and (7) using the term "deferred payment price".

The contract shall, in addition, contain the following items, as applicable:—

(1) The date on which the finance charge begins to accrue if different from the date of the transaction.

(2) The finance charge expressed as an annual percentage rate, using the term "annual percentage rate".

(3) The number, amount and due dates or periods of payments scheduled to repay the indebtedness and the sum of such payments using the term, "total of payments". If any payment is more than twice the amount of an otherwise regularly scheduled equal payment, the seller shall identify the amount of such payment by the term "balloon payment" and shall state the conditions, if any, under which that payment may be refinanced if not paid when due.

(4) The amount, or method of computing the amount, of any default, delinquency, or similar charges payable in the event of late payments.

(5) A description or identification of the type of any security interest held or to be retained or acquired by the seller in connection with the extension of credit, and a clear identification of the motor vehicle to which the security interest relates.

(6) Identification of the method of computing any unearned portion of the finance charge in the event of prepayment of the obligation and a statement of the amount or method of computation of any charge that may be deducted from the amount of any rebate of such unearned finance charge that will be credited to the obligation or refunded to the buyer.

(7) A statement that in the case of repossession and sale of any collateral subject to a security interest for default all sums paid on account of such payments and any sum remaining from the proceeds of a sale of such repossessed motor vehicle after deducting the reasonable expenses of such repossession and sale as are allowed by

section twenty A of this chapter, shall be applied in reduction of such price, and that, if the net proceeds of such sale exceed the balance due on such payments, the sum remaining shall be paid to the buyer.

The disclosures required to be given shall be made clearly, conspicuously, and in meaningful sequence. Where the terms "finance charge" and "annual percentage rate" are required to be used, they shall be printed more conspicuously than other terminology required by this chapter. All numerical amounts and percentages shall be stated in figures and shall be printed in not less than the equivalent of ten point type, seventy-five one thousandths inch computer type, or elite size typewritten numerals, or shall be legibly handwritten.

SECTION 11. Section 14 of said chapter 255B is hereby amended by striking out the second paragraph, as so appearing, and inserting in place thereof the following paragraph:—

Such finance charge shall be computed on the amount financed as determined under section nine on contracts payable in successive monthly instalments substantially equal in amount.

SECTION 12. Section 14A of said chapter 255B is hereby amended by striking out the last sentence, as amended by section 6 of chapter 587 of the acts of 1966.

SECTION 13. Section 17 of said chapter 255B, as amended by chapter 293 of the acts of 1962, is hereby further amended by striking out, in lines 4 and 9, the words "time balance" and inserting in place thereof, in each instance, the words:—total of payments.

SECTION 14. Section 20 of said chapter 255B, as appearing in section 1 of chapter 674 of the acts of 1958, is hereby amended by striking out, in line 8, the words "total time" and inserting in place thereof the words:—deferred payment,—and by striking out, in line 10, the words "time balance" and inserting in place thereof the words:—total of payments.

SECTION 15. Clause (3) of subsection C of section 20A of said chapter 255B, as appearing in section 3 of chapter 284 of the acts of 1966, is hereby amended by striking out, in line 1, the words "time balance" and inserting in place thereof the words:—total of payments.

SECTION 16. Said chapter 255B is hereby further amended by adding the following section:—

Section 25. A transaction, although subject to this chapter, shall also be subject to the provisions of chapter one hundred and forty C and in the case of conflict between the provisions of this chapter and that chapter, the provisions of that chapter shall control.

SECTION 17. Section 1 of chapter 255C of the General Laws is hereby amended by striking out the definition of "Annual finance charge formula", as amended by section 3 of chapter 354 of the acts of 1968, and inserting in place thereof the following definition:—

(6) "Annual percentage rate", the annual percentage rate of finance charge determined in accordance with the provisions of section four of chapter one hundred and forty C.

SECTION 18. Said chapter 255C is hereby further amended by striking out section 7, as appearing in section 1 of chapter 727 of the acts of 1964, and inserting in place thereof the following section:—

Section 7. The commissioner may prescribe from time to time such rules and regulations as may be necessary or proper in carrying out the provisions of this chapter. Such rules and regulations may contain

such classifications, differentiations or other provisions, and may provide for such adjustments and exceptions for any class of transactions, as in the judgment of the commissioner are necessary or proper to carry out the purposes of this chapter, to prevent circumvention or evasion thereof, or to facilitate compliance therewith; provided, however, that no such rule or regulation shall contain any classification, differentiation or other provision with respect to, or provide for any adjustment or exception for, any class of transaction which would result in less stringent disclosure requirements than afforded that class of transaction under the Federal Consumer Credit Protection Act and Regulation Z issued by the board of governors of the federal reserve system pursuant thereto.

SECTION 19. Said chapter 255C is hereby further amended by striking out section 13, as amended by section 3 of chapter 587 of the acts of 1966, and inserting in place thereof the following section:—

Section 13. A premium finance agreement shall be in writing on a form approved by the commissioner.

Such agreement shall set forth the following information:—

(1) The cash price of the total premiums, using the term “cash price”.

(2) The amount of downpayment, using the term “cash downpayment”.

(3) The difference between the amounts described in items (1) and (2) using the term “unpaid balance of cash price”.

(4) The amount, if any, included for credit life and accident and health insurance, specifying the types of coverage and the coverage periods and separately stating each insurance premium.

(5) All other charges, individually itemized, which are included in the amount financed, but which are not part of the finance charge.

(6) The sum of the amounts determined under items (3), (4) and (5), using the term “unpaid balance”.

(7) Any amounts required to be deducted under subsection (e) of section seven of chapter one hundred and forty C using, as applicable, the terms “prepaid finance charge” and “required deposit balance” and, if both are applicable, the total of such items, using the term “total prepaid finance charge and required deposit balance”.

(8) The difference between the amounts determined under items (6) and (7), using the term “amount financed”.

(9) The total amount of the finance charge, with description of each amount included, using the term “finance charge” and

(10) The sum of the amounts determined under items (1) and (9), and, if not included in (9), items (4) and (5) using the term “deferred payment price”.

The contract shall, in addition, contain the following items as applicable:—

(1) The date on which the finance charge begins to accrue if different from the date of the transaction.

(2) The finance charge expressed as an annual percentage rate, using the term “annual percentage rate”.

(3) The number, amount and due dates or periods of payments scheduled to repay the indebtedness and the sum of such payments using the term, “total of payments”. If any payment is more than twice the amount of an otherwise regularly scheduled equal payment,

the premium finance agency shall identify the amount of such payment by the term "balloon payment" and shall state the conditions, if any, under which that payment may be refinanced if not paid when due.

(4) The amount, or method of computing the amount, of any default, delinquency, or similar charges payable in the event of late payments.

(5) A description or identification of the type of any security interest held or to be retained or acquired by the premium finance agency in connection with the extension of credit, and a clear identification of the insurance coverages to which the security interest relates.

(6) Identification of the method of computing any unearned portion of the finance charge in the event of prepayment of the obligation and a statement of the amount or method of computation of any charge that may be deducted from the amount of any rebate of such unearned finance charge that will be credited to the obligation or refunded to the insured.

The disclosures required to be given shall be made clearly, conspicuously and in meaningful sequence. Where the terms "finance charge" and "annual percentage rate" are required to be used, they shall be printed more conspicuously than other terminology required by this chapter. All numerical amounts and percentages shall be stated in figures and shall be printed in not less than the equivalent of ten point type, seventy-five one thousandths inch computer type, or elite size typewritten numerals or shall be legibly handwritten.

SECTION 20. Section 21 of said chapter 255C, as appearing in section 1 of chapter 727 of the acts of 1964, is hereby amended by striking out, in lines 8 and 9, the words "principal balance" and inserting in place thereof, in each instance, the words:—amount financed.

SECTION 21. Said chapter 255C is hereby further amended by adding the following section:—

Section 23. A transaction, although subject to this chapter, shall also be subject to the provisions of chapter one hundred and forty C and in the case of conflict between the provisions of this chapter and that chapter, the provisions of that chapter shall control.

SECTION 22. Section 1 of chapter 255D of the General Laws is hereby amended by striking out the definition of "Annual finance charge formula", as amended by section 4 of chapter 354 of the acts of 1968, and inserting in place thereof the following two definitions:—

"Amount financed", the amount of credit of which the retail buyer will have the actual use determined in accordance with section seven, subsection (c) (7) of chapter one hundred and forty C.

"Annual percentage rate", the annual percentage rate of finance charge determined in accordance with the provisions of section four of chapter one hundred and forty C.

SECTION 23. Said section 1 of said chapter 255D is hereby further amended by striking out the definition of "Cash sale price", as appearing in section 1 of chapter 284 of the acts of 1966, and inserting in place thereof the following definition:—

"Cash price", the price at which the seller offers, in the ordinary course of business, to sell for cash the property or services which are the subject of a consumer credit transaction. It may include if

itemized the cash price of accessories or services related to the sale such as delivery, installation, alterations, modification and improvements, and may include taxes to the extent imposed on the cash sale. Itemization may be on a separate statement.

SECTION 24. Said section 1 of said chapter 255D is hereby further amended by inserting after the definition of "Commissioner", as so appearing, the following definition:—

"Deferred payment price", the total of the cash price, the charge for any insurance, the amount of official fees, if any, all other charges, if any, which are included in the amount financed, but which are not part of the finance charge, and the finance charge.

SECTION 25. Said section 1 of said chapter 255D is hereby further amended by striking out the definition of "Finance charge", as so appearing, and inserting in place thereof the following definition:—

"Finance charge", the cost of credit determined in accordance with the provisions of section three of chapter one hundred and forty C.

SECTION 26. Said section 1 of said chapter 255D is hereby further amended by striking out the definition of "Official fees", as so appearing, and inserting in place thereof the following definition:—

"Official fees", the fees and charges prescribed by law which are or will be paid to a public officer to perfect the security interest or lien, in or on the goods or services retained or taken by a seller under a retail instalment sale agreement or revolving credit agreement, and to file or record a release, satisfaction or discharge of the security interest or lien.

SECTION 27. Said section 1 of said chapter 255D is hereby further amended by striking out the definitions of "Principal balance", "Time balance", and "Time Sale Price", as so appearing.

SECTION 28. Section 3 of said chapter 255D is hereby amended by striking out the first sentence, as so appearing, and inserting in place thereof the following two sentences:—The commissioner may prescribe from time to time such rules and regulations as may be necessary or proper in carrying out the provisions of this chapter, the granting of licenses and the renewal thereof and the fees to be charged therefor. Such rules and regulations may contain such classifications, differentiations or other provisions, and may provide for such adjustments and exceptions for any class of transactions, as in the judgment of the commissioner are necessary or proper to carry out the purposes of this chapter, to prevent circumvention or evasion thereof, or to facilitate compliance therewith; provided, however, that no such rule or regulation shall contain any classification, differentiation or other provision with respect to, or provide for any adjustment or exception for, any class of transaction which would result in less stringent disclosure requirements than afforded that class of transaction under the Federal Consumer Credit Protection Act and Regulation Z issued by the board of governors of the federal reserve system pursuant thereto.

SECTION 29. Subsection A of section 9 of said chapter 255D, as so appearing, is hereby amended by inserting after the word "in", in line 2, the words:—at least,—and by striking out, in lines 5 and 9, the words "in ten point boldface type" and inserting in place thereof, in each instance, the words:—appearing conspicuously.

SECTION 30. Subsection B of said section 9 of said chapter 255D, as

so appearing, is hereby amended by striking out, in lines 5 and 6, the words "in twelve point extra bold type" and inserting in place thereof the words:—appearing conspicuously.

SECTION 31. Said section 9 of said chapter 255D is hereby further amended by striking out subsection C, as most recently amended by section 1 of chapter 543 of the acts of 1968, and inserting in place thereof the following three paragraphs:—

C. There shall be included on the first page of every retail instalment sale agreement the dollar amounts of the following items, if applicable, such items to be so designated:

(1) The cash price of the goods or services or both purchased using the term "cash price".

(2) The amount of the downpayment itemized, as applicable, as downpayment in money, using the term "cash downpayment", downpayment in goods, using the term "trade-in", a brief description of the goods, if any traded in, and the sum, using the term "total downpayment".

(3) The difference between the amounts described in items (1) and (2) using the term "unpaid balance of cash price".

(4) The amount, if any, included for insurance on the goods or services or both, specifying the types of coverage and coverage periods.

(5) The amount, if any, included for other insurance and other benefits specifying the types of coverage and the coverage periods and separately stating each insurance premium.

(6) The amount of official fees.

(7) All other charges, individually itemized, which are included in the amount financed, but which are not part of the finance charge.

(8) The sum of the amounts determined under items (3), (4), (5), (6) and (7), using the term "unpaid balance".

(9) Any amounts required to be deducted under subsection (e) of section seven of chapter one hundred and forty C using, as applicable, the terms "prepaid finance charge" and "required deposit balance", and, if both are applicable, the total of such items using the term "total prepaid finance charge and required deposit balance".

(10) The difference between the amounts determined under items (8) and (9); using the term "amount financed".

(11) The total amount of the finance charge, with description of each amount included, using the term "finance charge", and

(12) The sum of the amounts determined under items (1), (6) and (11) and, if not included in (11), items (4), (5) and (7) using the term "deferred payment price".

The contract shall, in addition, contain the following items, as applicable:

(1) The date on which the finance charge begins to accrue if different from the date of the transaction.

(2) The finance charge expressed as an annual percentage rate, using the term "annual percentage rate".

(3) The number, amount and due dates or periods of payments scheduled to repay the indebtedness and the sum of such payments using the term, "total of payments". If any payment is more than twice the amount of an otherwise regularly scheduled equal payment,

the seller shall identify the amount of such payment by the term "balloon payment" and shall state the conditions, if any, under which that payment may be refinanced if not paid when due.

(4) The amount, or method of computing the amount, of any default, delinquency, or similar charges payable in the event of late payments.

(5) A description or identification of the type of any security interest held or to be retained or acquired by the seller in connection with the extension of credit, and a clear identification of the property to which the security interest relates or, if such property is not identifiable, an explanation of the manner in which the seller retains or may acquire a security interest in such property which the seller is unable to identify. In any such case where a clear identification of such property cannot properly be made on the disclosure statement due to the length of such identification, the note, other instrument evidencing the obligation, or separate disclosure statement shall contain reference to a separate pledge agreement, or a financing statement, mortgage, deed of trust, or similar document evidencing the security interest, a copy of which shall be furnished to the buyer by the seller as promptly as practicable. If after-acquired property will be subject to the security interest, or if other or future indebtedness is or may be secured by any such property, this fact shall be clearly set forth in conjunction with the description or identification of the type of security interest held, retained or acquired.

(6) Identification of the method of computing any unearned portion of finance charge in the event of prepayment of the obligation and a statement of the amount or method of computation of any charge that may be deducted from the amount of any rebate of such unearned finance charge that will be credited to the obligation or refunded to the buyer.

The disclosures required to be given shall be made clearly, conspicuously, and in meaningful sequence. Where the terms "finance charge" and "annual percentage rate" are required to be used, they shall be printed more conspicuously than other terminology required by this chapter. All numerical amounts and percentages shall be stated in figures and shall be printed in not less than the equivalent of ten point type, seventy-five one thousandths inch computer type, or elite size typewritten numerals, or shall be legibly handwritten.

SECTION 32. The first paragraph of subsection D of said section 9 of said chapter 255D, as appearing in section 1 of chapter 284 of the acts of 1966, is hereby amended by striking out, in line 2, the words "in ten point boldface type or larger" and inserting in place thereof the words:—appearing conspicuously,—and by striking out clause (6) and inserting in place thereof the following clause:—

(6) You may cancel this agreement if it has been consummated by a party thereto at a place other than an address of the seller, which may be his main office or branch thereof, provided you notify the seller in writing at his main office or branch by ordinary mail posted, by telegram sent or by delivery, not later than midnight of the third business day following the signing of this agreement.

SECTION 33. Subsection E of said section 9 of said chapter 255D, as so appearing, is hereby amended by striking out, in lines 4 and 5, the

words "printed or written, in a size equal to at least ten point boldface type" and inserting in place thereof the words:—conspicuously printed or written.

SECTION 34. Clause (1) of section 10 of said chapter 255D, as so appearing, is hereby amended by striking out, in lines 3 and 4, the words "items (10) and (11) of subsection C of section nine" and inserting in place thereof the words:—the finance charge and the annual percentage rate.

SECTION 35. Clause (4) of said section 10 of said chapter 255D, as so appearing, is hereby amended by striking out, in line 2, the words "time balance" and inserting in place thereof the words:—total of payments.

SECTION 36. Subsection B of section 11 of said chapter 255D, as so appearing, is hereby amended by striking out, in lines 3 and 4, 6 and 12, the words "principal balance" and inserting in place thereof, in each instance, the words:—amount financed.

SECTION 37. Subsection C of said section 11 of said chapter 255D, as amended by section 3 of chapter 543 of the acts of 1968, is hereby further amended by striking out, in line 3, the words "principal balance" and inserting in place thereof the words:—amount financed.

SECTION 38. Subsection B of section 13 of said chapter 255D, as appearing in section 1 of chapter 284 of the acts of 1966, is hereby amended by striking out, in lines 3 and 4, the words "time balances"—and by striking out, in lines 5 and 6, the words "total time balances" and inserting in place thereof, in each instance, the words:—total of payments.

SECTION 39. Subsection A of section 14 of said chapter 255D, as so appearing, is hereby amended by striking out clause (2) and inserting in place thereof the following clause:—

(2) Which is signed by the seller, and which has been consummated by a party thereto at a place other than the address of the seller, which may be his main office or branch thereof, if the buyer, not later than midnight of the third business day following execution of the agreement, notifies the seller that he is cancelling, and such cancellation shall be effective thereupon.

SECTION 40. Said section 14 of said chapter 255D is hereby further amended by striking out subsection (B), as so appearing, and inserting in place thereof the following subsection:—

(B) Notice of cancellation under this section shall be given in writing to the seller at the place of business of the seller as set forth in the agreement by ordinary mail posted, by telegram sent or by delivery, not later than midnight of the third business day following execution of the agreement.

SECTION 41. Subsection B of section 16 of said chapter 255D, as so appearing, is hereby amended by striking out clause (6) and inserting in place thereof the following clause:—

(6) Shall clearly set forth the fact of any extension charge, the amount extended, the date to which, or the time period for which payment is extended, the amount of the charge for the extension, and the amount for the additional cost of insurance, if any, resulting from the extension.

SECTION 42. Clause (1) of paragraph B of section 17 of said chapter

255D, as so appearing, is hereby amended by striking out, in lines 2 and 3, the words "time balance" and inserting in place thereof the words:—total of payments.

SECTION 43. Clause (2) of said paragraph B of said section 17 of said chapter 255D, as amended by section 6 of chapter 775 of the acts of 1967, is hereby further amended by striking out, in line 2, the words "time balance" and inserting in place thereof the words:—total of payments,—and by striking out, in lines 6 to 8, inclusive, the words "the annual finance charge rate computed according to the annual finance charge formula, or a comparable formula approved by the commissioner upon application of a seller" and inserting in place thereof the words:—annual percentage rate.

SECTION 44. Subsection A of section 18 of said chapter 255D, as appearing in section 1 of chapter 284 of the acts of 1966, is hereby amended by striking out, in lines 17 and 23, the words "time balance" and inserting in place thereof, in each instance, the words:—total of payments,—and by striking out, in line 24, the words "time balances" and inserting in place thereof the words:—total of payments.

SECTION 45. Said section 18 of said chapter 255D is hereby further amended by striking out subsection B, as so appearing, and inserting in place thereof the following subsection:—

(B) If debts arising from two or more retail instalment sale agreements or sales under revolving credit agreements are consolidated into one debt payable on a single schedule of payments, and the debt is secured by security interests taken with respect to one or more of the sales, payments received by the seller or holder after the consolidation are deemed, for the purpose of determining the amount of the debt secured by the various security interests, to have been first applied to the payment of the debts arising from the sales first made. To the extent debts are paid according to this section, security interests in items of property terminate as the debts originally incurred with respect to each item is paid. If the debts consolidated arose from two or more sales made on the same day, payments received by the seller are deemed, for the purpose of determining the amount of the debts secured by the various security interests, to have been applied first to the payment of the smallest debt.

SECTION 46. Clause (3) of subsection C of section 21 of said chapter 255D, as so appearing, is hereby amended by striking out, in line 1, the words "time balance" and inserting in place thereof the words:—total of payments.

SECTION 47. Section 23 of said chapter 255D is hereby amended by striking out the second sentence, as most recently amended by section 9 of chapter 775 of the acts of 1967.

SECTION 48. The second sentence of subsection C of section 26 of said chapter 255D, as appearing in section 2 of chapter 416 of the acts of 1967, is hereby amended by striking out, in line 3, the words "principal balance" and inserting in place thereof the words:—amount financed.

SECTION 49. Section 27 of said chapter 255D is hereby amended by striking out subsection A, as amended by section 10 of chapter 775 of the acts of 1967, and inserting in place thereof the following subsection:—

A. Before the first transaction is made on any revolving credit account, the seller shall disclose to the buyer in a single written statement, which the buyer may retain, in terminology consistent with the requirements of subsection D of this section, each of the following items, to the extent applicable:

(1) The conditions under which a finance charge may be imposed, including an explanation of the time period, if any, within which any credit extended may be paid without incurring a finance charge.

(2) The method of determining the amount of finance charge including the method of determining the balance upon which a finance charge may be imposed.

(3) The method of determining any minimum, fixed, transaction, activity, or similar charge, which may be imposed as a finance charge.

(4) Where one or more periodic rates may be used to compute the finance charge, each such rate, the range of balances to which it is applicable, and the corresponding annual percentage rate determined by multiplying the periodic rate by the number of periods in a year.

(5) The conditions under which any other charges may be imposed and the method by which they will be determined.

(6) The conditions under which the seller may retain or acquire any security interest in any property to secure the payment of any credit extended on the account, and a description or identification of the type of the interest or interests which may be so retained or acquired.

(7) The minimum periodic payment required.

SECTION 50. Subsection B of section 27 of said chapter 255D is hereby amended by striking out, in line 2, as appearing in section 1 of chapter 284 of the acts of 1966, the words "in ten point bold face type or larger" and inserting in place thereof the words:—appearing conspicuously.

SECTION 51. Said subsection B of said section 27 of said chapter 255D is hereby further amended by striking out clause (6), as amended by section 11 of chapter 775 of the acts of 1967, and inserting in place thereof the following clause:—

(6) You may cancel a purchase under this agreement if it has been consummated by a party thereto at a place other than the address of the seller which may be his main office or branch thereof; provided, you notify the seller in writing at his main office or branch by ordinary mail posted, by telegram sent or by delivery, not later than midnight of the third business day following a purchase under this agreement.

SECTION 52. Said section 27 of said chapter 255D is hereby amended by striking out subsection D, as appearing in section 1 of chapter 284 of the acts of 1966, and inserting in place thereof the following two subsections:—

D. Except in the case of an account which the seller deems to be uncollectible or with respect to which delinquency collection procedures have been instituted, the seller under any revolving credit account shall mail or deliver to the buyer, for each billing cycle at the end of which there is an outstanding debit balance in excess of one dollar in that account or with respect to which a finance charge is imposed, a statement or statements which the buyer may retain,

setting forth in accordance with subsection A of this section each of the following items to the extent applicable:

(1) The outstanding balance in the account at the beginning of the billing cycle, using the term "previous balance".

(2) The amount and date of each extension of credit or the date such extension of credit is debited to the account during the billing cycle and, unless previously furnished, a brief identification of any goods or services purchased or other extension of credit.

(3) The amounts credited to the account during the billing cycle for payments, using the term "payments", and for other credits including returns, rebates of finance charges and adjustments, using the term "credits", and unless previously furnished, a brief identification of each of the items included in such other credits.

(4) The amount of any finance charge, using the term "finance charge", debited to the account during the billing cycle, itemized and identified to show the amounts, if any, due to the application of periodic rates and the amount of any other charge included in the finance charge, such as a minimum, fixed, transaction, activity, or similar charge, including any charges imposed by the seller for the issuance, payment, or handling of checks, for account maintenance or otherwise, to the extent that such charges exceed any similar charges the buyer is required to pay when an account is not being used to extend credit, using appropriate terminology to identify such charges.

(5) Each periodic rate, using the term "periodic rate" (or "rates"), that may be used to compute the finance charge (whether or not applied during the billing cycle), and the range of balances to which it is applicable.

(6) The annual percentage rate or rates determined under subsection (a) of section four of chapter one hundred and forty C, using the term "annual percentage rate" (or "rates"), and, where there is more than one rate, the amount of the balance to which each rate is applicable. Where the seller under the revolving credit account imposes finance charges with respect to specific transactions during the billing cycle, such charges shall be combined with all other finance charges imposed during the billing cycle, and the annual percentage rate to be disclosed shall be determined by (i) dividing the sum of all of the finance charges imposed during the billing cycle by the sum of the balances to which the periodic rates apply (or by the average of daily balances if a daily periodic rate is used), plus the sum of the amounts financed to which the specific transaction charges apply, and (ii) multiplying the quotient (expressed as a percentage) by the number of billing cycles in a year.

(7) The balance on which the finance charge was computed, and a statement of how that balance was determined. If the balance is determined without first deducting all credits during the billing cycle, that fact and the amount of such credits shall also be disclosed.

(8) The closing date of the billing cycle and the outstanding balance in the account on that date, using the term "new balance", accompanied by the statement of the date by which, or the period, if any, within which, payment must be made to avoid additional finance charges.

E. (a) The disclosures required by subsection D shall be made on the face of the periodic statement, on its reverse side, or on the

periodic statement supplemented by separate statement forms provided they are enclosed together and delivered to the customer at the same time, and further provided that

(1) The disclosure required by item (1) of subsection D, the amounts or respective totals of the amounts required to be disclosed under items (2), (3) and (4) of subsection D, and the disclosure required under items (6) and (8) of subsection D shall appear on the face of the periodic statement. If the amounts and dates of the charges and credits required to be disclosed under items (2) and (3) of subsection D are not itemized on the face or reverse side of the periodic statement, they shall be disclosed on a separate statement or separate slips which shall accompany the periodic statement and identify each charge and credit and show the date and amount thereof. If the disclosures required under item (4) of subsection B are not itemized on the face or reverse side of the periodic statement, they shall be disclosed on a separate supplemental statement which shall accompany the periodic statement.

(2) The disclosures required by items (5) and (6) of subsection D and a reference to the amounts required to be disclosed under items (4) and (7) of said subsection D, if not disclosed together on the face or the reverse side of the periodic statement, shall appear together on the face of a single supplemental statement which shall accompany the periodic statement.

(3) The face of the periodic statement shall contain one of the following notices, as applicable: "NOTICE: See reverse side for important information" or "NOTICE: See accompanying statement(s) for important information" or "NOTICE: See reverse side and accompanying statement(s) for important information" and

(4) The disclosures shall not be separated so as to confuse or mislead the customer or obscure or detract attention from the information required to be disclosed.

SECTION 53. Said section 27 of said chapter 255D is hereby further amended by striking out subsection E, added by section 5 of chapter 587 of the acts of 1966, and inserting in place thereof the following subsection:—

F. If any change is to be made in terms of a revolving credit account plan previously disclosed to the buyer, the seller shall mail or deliver to the buyer written disclosure of such proposed change not less than thirty days prior to the effective date of such change or thirty days prior to the beginning of the billing cycle within which such change will become effective, whichever is the earlier date.

SECTION 54. Subsection A of section 29 of said chapter 255D, as appearing in section 1 of chapter 284 of the acts of 1966, is hereby amended by striking out, in lines 8 and 9, the word "principal".

SECTION 55. Said chapter 255D is hereby further amended by striking out section 31, as most recently amended by section 5 of chapter 543 of the acts of 1968, and inserting in place thereof the following section:—

Section 31. A transaction, although subject to this chapter, shall also be subject to the provisions of chapter one hundred and forty C and in the case of conflict between the provisions of this chapter and that chapter, the provisions of that chapter shall control.

Approved July 16, 1969.