

HOUSE No. 1808

The Commonwealth of Massachusetts

HOUSE OF REPRESENTATIVES, March 3, 1947.

The committee on Banks and Banking, to whom was referred the petition (accompanied by bill, House, No. 1267) of the Massachusetts Co-operative Bank League for legislation to make certain changes in the laws relating to co-operative banks, report the accompanying bill (House, No. 1808).

For the committee,

A. JOHN SERINO.

The Commonwealth of Massachusetts

In the Year One Thousand Nine Hundred and Forty-Seven.

AN ACT RELATING TO THE MAKING OF CERTAIN RESIDENTIAL CONSTRUCTION DEVELOPMENT MORTGAGE LOANS BY CO-OPERATIVE BANKS.

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

1 Chapter 170 of the General Laws is hereby amended
2 by inserting before section 37, as appearing in section
3 144 of the acts of 1933, the following new section:—
4 *Section 36F.* Whenever any such corporation pro-
5 poses to make construction mortgage loans upon real
6 estate located in an area in the process of residential
7 development, in connection with which development
8 other banks are to make similar loans, and the security
9 committee considers it sound and expedient for such
10 corporation to engage with such other banks in a plan
11 which may call for common or delegated supervision,
12 or for advances to be made in a manner different from
13 the making of advances in the case of an ordinary
14 construction loan, or for commitments or undertak-
15 ings to share certain benefits and burdens or to acquire
16 individual mortgages by assignment or other transfer
17 in stated events, before entering into such a plan the
18 security committee shall first give written notice,
19 signed by each member thereof, of such proposal and

20 plan to the commissioner, together with such other
21 information as the commissioner may request, and if
22 the commissioner, within fifteen days after receiving
23 such notice, advises the security committee in writ-
24 ing of his dissatisfaction or objection to any part or
25 the whole of said plan, such corporation shall not
26 become a party to nor engage in such plan.

