

# SENATE . . . . No. 111

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To accompany the petition of the Massachusetts Morris Plan Bankers Association, by George T. Schuler, president, for legislation to authorize banking companies to make loans insured by the Federal Housing Administrator. Banks and Banking.

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## The Commonwealth of Massachusetts

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

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### AN ACT AUTHORIZING BANKING COMPANIES TO MAKE LOANS INSURED BY THE FEDERAL HOUSING ADMINISTRATOR.

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

1 Section 51 of chapter 167 of the General Laws,  
2 as most recently amended by chapter 89 of the acts  
3 of 1947, is hereby further amended by inserting after  
4 the words "co-operative banks" in the fourth line  
5 the words:—, banking companies, — by inserting after  
6 the words "co-operative bank" in the fifth line the  
7 words:—, banking company, — and by inserting  
8 after the words "co-operative bank" in the twenty-  
9 sixth and twenty-seventh lines the words:—, bank-  
10 ing company, — so as to read as follows:— *Sec-*  
11 *tion 51.* Subject to such regulations as the com-  
12 missioner of banks deems to be necessary or advisable  
13 in respect to trust companies, savings banks, co-  
14 operative banks, banking companies or credit unions,

15 any trust company, savings bank, co-operative bank,  
16 banking company or credit union organized under  
17 the laws of this commonwealth is authorized:—  
18 (a) to make such loans and advances of credit to  
19 residents of the commonwealth and purchases of  
20 obligations representing such loans and advances of  
21 credit to residents of the commonwealth as are insured  
22 by the federal housing administrator, and to obtain  
23 such insurance; (b) to make and acquire such loans  
24 secured by mortgages on real property in this com-  
25 monwealth as the federal housing administrator  
26 insures or gives commitments to insure, and to obtain  
27 such insurance; (c) to collect and apply payments  
28 due upon and otherwise to service any mortgage loan  
29 originated by it and insured by the federal housing  
30 administrator, and with respect to such mortgage  
31 loan to make agreements with any mortgagees ap-  
32 proved by the federal housing administrator to collect  
33 and apply payments due upon and otherwise to service  
34 any such mortgage loan. With respect to the obliga-  
35 tion of any mortgage contract entered into under any  
36 provision of this section, for the life of said obliga-  
37 tion, no provision of law limiting the ratio of a mort-  
38 gage loan to the value of the property or the term  
39 of the mortgage, or limiting the power of any trust  
40 company, savings bank, co-operative bank, banking  
41 company or credit union to make loans other than  
42 those secured by mortgages upon real estate shall  
43 apply to loans made pursuant to this section and  
44 subject to regulations referred to herein, but nothing  
45 contained herein shall be deemed to abridge any  
46 power or authority conferred upon the commissioner  
47 of banks by any other provision of law. Notwith-  
48 standing the foregoing, a trust company may make

49 mortgage loans hereunder within the geographical  
50 limits contained in section thirty-four of chapter  
51 one hundred and seventy-two, a savings bank may  
52 make mortgage loans hereunder within the geo-  
53 graphical limits contained in clause first of section  
54 fifty-four of chapter one hundred and sixty-eight,  
55 and a co-operative bank may make mortgage loans  
56 hereunder within the geographical limits contained  
57 in section thirty-six A of chapter one hundred and  
58 seventy.

The first part of the history of the  
 country is divided into three  
 periods. The first period is  
 the period of the early  
 settlement. The second period  
 is the period of the  
 middle settlement. The third  
 period is the period of the  
 late settlement. The first  
 period is the period of the  
 early settlement. The second  
 period is the period of the  
 middle settlement. The third  
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 late settlement.