

# SENATE . . . . No. 117

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To accompany the petition of the Savings Banks Association of Massachusetts, by Robert F. Nutting, president, for legislation relative to loans by savings banks for financing the repair and rehabilitation of certain real estate mortgaged to such banks. Banks and Banking.

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## The Commonwealth of Massachusetts

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

AN ACT RELATIVE TO LOANS BY SAVINGS BANKS FOR FINANCING THE REPAIR AND REHABILITATION OF CERTAIN REAL ESTATE MORTGAGED TO SUCH 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 Clause tenth A of section 54 of chapter 168 of the  
2 General Laws, as most recently amended by chapter  
3 162 of the acts of 1945, is hereby amended by striking  
4 out said clause tenth A and inserting in place thereof  
5 the following:—  
6 Tenth A. In loans to owners of improved real  
7 estate, upon which such corporation holds mortgages,  
8 for the purpose of financing the repair, alteration or  
9 rehabilitation thereof or the purchase and installation  
10 of fixtures to be affixed thereto; provided, that any  
11 such loan shall not exceed one thousand dollars, ex-  
12 clusive of interest or discount from the date of the note,

13 with respect to any one parcel of such real estate, shall  
14 be payable at a time not exceeding five years from the  
15 date thereof, and that the terms of the note shall re-  
16 quire payments to be made on account of the principal  
17 in equal monthly installments, such payments to  
18 commence not later than one month after the date of  
19 the note, and to be in amounts which, at the maturity  
20 of the note, shall equal the original amount of the loan;  
21 or that such terms shall require fixed monthly pay-  
22 ments, in the same amount during the term of the  
23 loan, which payments shall be first applied to interest  
24 and the balance thereafter remaining applied to prin-  
25 cipal; and provided, further, that the total of all such  
26 loans outstanding at any one time shall not exceed  
27 two per cent of the deposits and income of such cor-  
28 poration.