
To accompany the petition of C. Henry Glovsky for legislation to amend the Small Loans Act and related statutes. Banks and Banking.

The Commonwealth of Massachusetts

In the Year One Thousand Nine Hundred and Fifty-Six.

AN ACT AMENDING THE SMALL LOANS ACT AND RELATED STATUTES.

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 1. Section 90 of chapter 140 of the General
2 Laws, as amended by section 1 of chapter 223 of the
3 acts of 1946, is hereby further amended by striking out,
4 in lines 2 and 39, the words "one thousand" and insert-
5 ing in place thereof in each instance the words: — twenty-
6 five hundred.

1 SECTION 2. Section 91 of said chapter 140, as ap-
2 pearing in the Tercentenary Edition is hereby amended
3 by striking out, in line 1, the words "one thousand" and
4 inserting in place thereof the words: — twenty-five hun-
5 dred.

1 SECTION 3. Section 92 of said chapter 140 is hereby
2 amended by striking out, in line 3, the words "one
3 thousand" and inserting in place thereof the words: —
4 twenty-five hundred.

1 SECTION 4. Section 93 of said chapter 140 is hereby
2 amended by striking out, in line 2, the words "one
3 thousand" and inserting in place thereof the words: —
4 twenty-five hundred.

1 SECTION 5. Said chapter 140 is hereby further
2 amended by striking out section 95 and inserting in
3 place thereof the following section:—

4 *Section 95.* The five preceding sections shall not
5 apply to any loans of fifteen hundred dollars or less
6 made by a person who holds a license under sections
7 ninety-six to one hundred and thirteen, inclusive, nor
8 affect section seventy-two of this chapter or section four
9 of chapter two hundred and fifty-five; provided, how-
10 ever, that whenever the board shall not have a maxi-
11 mum rate of charge in effect pursuant to section one
12 hundred, section ninety shall apply to loans exceeding
13 three hundred dollars made by a person who holds a
14 license under sections ninety-six to one hundred and
15 thirteen, inclusive.

1 SECTION 6. Section 96 of said chapter 140, as amended
2 by section 1 of chapter 158 of the acts of 1941, is hereby
3 further amended by striking out in lines 2 and 3, 27,
4 41 and 42, and 53, the words "three hundred" and in-
5 serting in place thereof in each instance the words:—
6 fifteen hundred.

1 SECTION 7. Chapter 140 of the General Laws is
2 hereby amended by striking out section 100, as most
3 recently amended by section 1 of chapter 174 of the
4 acts of 1946, and inserting in place thereof the following
5 section:—

6 *Section 100.* As used in this section the term "board"
7 shall mean the commissioner of banks, the commissioner
8 of insurance and the commissioner of corporations and
9 taxation; and the term "licensee" shall mean all persons
10 licensed under sections ninety-six to one hundred and
11 eleven, inclusive.

12 The board shall fix the maximum monthly rate of
13 charge for interest, expenses, and other considerations
14 which licensees may charge, contract for and receive on
15 loans of fifteen hundred dollars or less. Such maximum
16 monthly rate of charge fixed by the board shall be suf-

17 ficient to induce adequate commercial capital to make
18 available an adequate supply of such loans and shall be
19 fair, just and reasonable to both borrower and lender.
20 In fixing such maximum monthly rate, the board shall
21 have due regard to the volume, kind and size of loans
22 which would be made under it. The maximum rate of
23 charge fixed by the board may be the aggregate of two
24 or more different maximum rates applicable to different
25 portions of the unpaid principal balance, so that as the
26 size of the loan or the unpaid principal balance increases
27 the aggregate rate decreases. The board may refix the
28 maximum monthly rate of charge from time to time on
29 the basis of changed conditions and facts.

30 Until such time as the board shall fix a maximum rate
31 of charge and whenever there shall not be a maximum
32 rate of charge in effect, fixed by the board, the charges
33 for interest, expenses and other considerations on loans
34 of three hundred dollars and less shall not exceed the
35 lawful maximum monthly rate which was in effect on
36 January second, nineteen hundred and fifty-five, under
37 the regulations of the commissioner of banks pursuant
38 to this section as then in effect, and section ninety shall
39 apply to loans exceeding three hundred dollars notwith-
40 standing the provisions of section ninety-five.

41 The total amount to be paid on any loan for interest,
42 expenses and other considerations shall not, in the ag-
43 gregate, exceed an amount equivalent to the maximum
44 monthly rate computed on unpaid principal balances of
45 the amount actually received by the borrower, but shall
46 not exceed six per cent per annum after the termination
47 of one year after maturity. No licensee wilfully shall
48 permit any person, or any husband and wife jointly or
49 severally, to be obligated, directly or contingently or
50 both to such licensee, under more than one contract of
51 loan at the same time for the purpose of obtaining a
52 higher rate of charge than would otherwise be permitted
53 by this section on a single loan contract. No licensee or
54 company or association to which sections ninety-six to
55 one hundred and twelve, inclusive, apply shall charge

56 or receive upon any loans more than the maximum rate
57 of charge permitted by this section. No charge, bonus,
58 fee, expense or demand of any nature whatsoever, in
59 addition to such maximum rate of charge shall be made
60 upon loans to which said sections relate, except that law-
61 ful fees actually paid out by the lender to a public officer
62 for filing, recording, releasing or discharging any instru-
63 ment securing the loan may be charged to and collected
64 from the borrower when the loan is made or at any time
65 thereafter.

66 Before fixing or refixing the maximum rate of charge,
67 the board shall give reasonable notice by mail to all
68 licensees of its intention and an opportunity to be heard
69 thereon and to introduce evidence with respect thereto.
70 Any order which the board may make fixing or refixing
71 the maximum rate of charge after such hearing shall
72 contain the effective date thereof, which shall be not less
73 than sixty days after notice of the fixing of such new
74 rates is given by mail to each licensee. An order of the
75 board fixing or refixing the maximum rate of charge shall
76 not apply to loans made prior to its effective date.
77 Within the authority conferred by this section, the board
78 shall be subject to all pertinent provisions of chapter
79 thirty A.

1 SECTION 8. Section 110 of said chapter 140, as ap-
2 pearing in the Tercentenary Edition, is hereby amended
3 by striking out, in line 12, the words "three hundred"
4 and inserting in place thereof the words:— fifteen
5 hundred.

1 SECTION 9. Section 2 of chapter 154 of the General
2 Laws, as amended by section 31 of chapter 550 of the
3 acts of 1948, is hereby further amended by striking
4 out, in line 3, the words "three hundred" and inserting
5 in place thereof the words:— fifteen hundred.

1 SECTION 10. This act shall not affect any loan con-
2 tract made prior to its effective date.

1 SECTION 11. Section 37 of chapter 168 of the General
2 Laws, inserted by section 1 of chapter 432 of the acts of
3 1955, is hereby amended by striking out the first sentence
4 and inserting in place thereof the following sentence:—
5 Such corporation may make a loan to one or more re-
6 sponsible borrowers upon a note in such form and at such
7 rate of interest and subject to such other charges as the
8 board of investment shall by rules or regulations de-
9 termine; provided, that such rates and charges shall not
10 exceed the maximums authorized by or from time to time
11 fixed or refixed under section one hundred of chapter one
12 hundred and forty with respect to loans subject to such
13 section.

1 SECTION 12. Chapter 140 of the General Laws is
2 hereby amended by adding after section 114 the follow-
3 ing new section:—

4 *Section 114A.* Trust companies, savings banks, co-
5 operative banks, savings and loan associations, credit
6 unions, national banking associations and federal savings
7 and loan associations shall not be subject to the provisions
8 of sections ninety-six to ninety-nine, inclusive, or sec-
9 tions one hundred and one to one hundred and fourteen,
10 inclusive, of this chapter. Loans made by trust com-
11 panies, savings banks, co-operative banks, savings and
12 loan associations, credit unions, national banking asso-
13 ciations and federal savings and loan associations in vio-
14 lation of section one hundred of this chapter, or any regu-
15 lations made thereunder, may be declared void by the
16 supreme judicial or superior court in equity upon petition
17 by the person to whom the loan was made, and any
18 person violating any provision of said section one hun-
19 dred, or any regulation made thereunder, shall be subject
20 to a fine of not more than five hundred dollars.

1. The first part of the paper is devoted to a general survey of the literature on the subject. It is found that the majority of the authors who have written on this subject have done so from a purely historical point of view. They have not taken into account the fact that the subject has become of increasing importance in the present day. It is therefore proposed that the present paper should be devoted to a study of the subject from a purely scientific point of view. It is suggested that the present paper should be divided into two parts. The first part should be devoted to a study of the subject from a purely scientific point of view. The second part should be devoted to a study of the subject from a purely historical point of view. It is suggested that the present paper should be divided into two parts. The first part should be devoted to a study of the subject from a purely scientific point of view. The second part should be devoted to a study of the subject from a purely historical point of view.

2. The second part of the paper is devoted to a study of the subject from a purely scientific point of view. It is found that the majority of the authors who have written on this subject have done so from a purely historical point of view. They have not taken into account the fact that the subject has become of increasing importance in the present day. It is therefore proposed that the present paper should be devoted to a study of the subject from a purely scientific point of view. It is suggested that the present paper should be divided into two parts. The first part should be devoted to a study of the subject from a purely scientific point of view. The second part should be devoted to a study of the subject from a purely historical point of view. It is suggested that the present paper should be divided into two parts. The first part should be devoted to a study of the subject from a purely scientific point of view. The second part should be devoted to a study of the subject from a purely historical point of view.

3. The third part of the paper is devoted to a study of the subject from a purely historical point of view. It is found that the majority of the authors who have written on this subject have done so from a purely historical point of view. They have not taken into account the fact that the subject has become of increasing importance in the present day. It is therefore proposed that the present paper should be devoted to a study of the subject from a purely historical point of view. It is suggested that the present paper should be divided into two parts. The first part should be devoted to a study of the subject from a purely historical point of view. The second part should be devoted to a study of the subject from a purely scientific point of view. It is suggested that the present paper should be divided into two parts. The first part should be devoted to a study of the subject from a purely historical point of view. The second part should be devoted to a study of the subject from a purely scientific point of view.

