To accompany the petition of George Carter Chaney for legislation to reduce the legal rate of interest, so called, within the Commonwealth. Banks and Banking.

The Commonwealth of Massachusetts

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

An Act reducing the Legal Rate of Interest, So Called, within the Commonwealth.

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 three of chapter one hundred and seven of the General Laws, as appearing in the Tercentenary Edition, is hereby amended by striking out, in the second line, the word "six" and inserting in place thereof the word: — five, — so as to read as follows: — Section 3. If there is no agreement or provision of law for a different rate, the interest of money shall be at the rate of five dollars on each hundred for a year, but, except as provided in sections seventy-eight, ninety, ninety-two, ninety-six and one hundred of chapter one hundred and forty, it shall be lawful to pay, reserve or contract for any rate of interest or discount. No greater rate than that before mentioned shall be recovered in a suit unless the agreement to pay it is in writing.
1 Section 2. As of the effective date of this act, 2 the reduction in the rate of interest on money pro- 3 vided by section one of this act shall apply to all 4 judgments, and all contracts stipulating that "legal 5 interest" is payable, in force on such effective date 6 or thereafter; and such reduction is hereby incor- 7 porated by reference in all statutes, except those 8 relating to taxation or to interest payable by way 9 of penalty, in force on such effective date.