

SENATE No. 113

To accompany the petition of Francis X. Ford for legislation relative to the rates of interest to be charged by certain persons, societies, associations and corporations for certain services. Banks and Banking.

The Commonwealth of Massachusetts

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

AN ACT RELATIVE TO THE RATES OF INTEREST TO BE CHARGED BY CERTAIN PERSONS, SOCIETIES, ASSOCIATIONS AND CORPORATIONS FOR CERTAIN SERVICES.

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. No society, association or corporation
2 doing business of private banking or loaning moneys
3 shall charge a rate of interest greater than six per cent
4 per annum on any loans where collateral is given or
5 notes with guaranteed endorsers as security except in
6 case of unsecured loans or small loans secured by
7 personal pledges or property. This latter class of
8 loan shall not draw interest of over seven per cent
9 per annum.

1 SECTION 2. No bonus or contract shall be a stipu-
2 lation of any loan referred to in this act and it shall
3 be unlawful for such bonuses or contracts to become
4 a part of said consideration in any loans.

1 SECTION 3. Any association, society, corporation
2 or individual doing business in banking or the loan-
3 ing of money who shall charge more than these rates
4 as specified in sections one and two shall be punished
5 by imprisonment for not less than six months in jail
6 or by a fine of one thousand dollars, or both.