

SENATE No. 1159

The Commonwealth of Massachusetts

SENATE, April 26, 1967.

The committee on Banks and Banking, to whom was referred the petition (accompanied by bill, Senate, No. 118) of Allan F. Jones for legislation to prohibit banks from allocating periodic payments by mortgagors for taxes for purposes other than tax payments, reports the accompanying Bill (Senate, No. 1159).

For the committee,

FRED LAMSON.

The Commonwealth of Massachusetts

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

AN ACT PROHIBITING BANKS FROM ALLOCATING PERIODIC PAYMENTS BY MORTGAGORS FOR TAXES FOR PURPOSES OTHER THAN TAX PAYMENTS.

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 58 of chapter 167 of the General Laws is hereby
2 amended by adding the following new sentence: — Amounts
3 collected for real estate taxes while awaiting payment to a
4 city or town may be invested in obligations legal for savings
5 banks and may not be used for any other purpose, except
6 with the written permission of the mortgagor given at the
7 time of default or thereafter.