

HOUSE No. 1398

The Commonwealth of Massachusetts

HOUSE OF REPRESENTATIVES, April 28, 1932.

The committee on Banks and Banking, to whom was referred the petition (accompanied by bill, House, No. 743) of John H. Burke, mayor of Medford, that banks and trust companies be authorized to loan money on certificates of proofs of claim issued by savings departments of banks taken over by the Commissioner, report the accompanying bill (House, No. 1398).

For the committee,

WILLIAM F. THOMAS.

The Commonwealth of Massachusetts

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

An Act authorizing Savings Banks and Savings Departments of Trust Companies to grant Loans on Proofs of Claim of Depositors in Closed Savings Banks and Savings Departments of Trust Companies.

1 *Whereas*, The deferred operation of this act would
2 tend to defeat its purpose, therefore it is hereby de-
3 clared to be an emergency law, necessary for the
4 immediate preservation of the public convenience.

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. Deposits in savings banks and in
2 savings departments of trust companies and the in-
3 come derived therefrom may be invested in loans to
4 any depositor in a savings bank, or in the savings
5 department of a trust company, in possession of the
6 commissioner of banks under section twenty-two of
7 chapter one hundred and sixty-seven of the General
8 Laws, payable and to be paid or renewed at a time
9 not exceeding one year from the date thereof, evi-
10 denced by a note of such depositor in such form as
11 the said commissioner may approve, with a pledge as
12 collateral of an assignment of the certificate of proof
13 of claim for such deposit, at such percentage of said
14 claim as the board of investment of the savings

15 bank or the investment committee of the trust com-
16 pany making such loan may approve, but not in
17 excess of fifty per cent of said claim. The aggregate
18 of such loans made by any savings bank or savings
19 department of a trust company under this act shall
20 not exceed two per cent of the deposits in such bank
21 or department.

1 SECTION 2. This act shall become inoperative on
2 January first, nineteen hundred and thirty-eight,
3 except with respect to any loan granted under it prior
4 to said date.

