

# HOUSE . . . . No. 273

---

---

At the request of Mr. Pratt of Saugus, the petition of C. F. Nelson Pratt, John J. Crowley and Thomas A. Delmore for further legislation for protection of depositors in and borrowers from banks in the Commonwealth, was taken from the files of the preceding year. Banks and Banking.

---

---

## The Commonwealth of Massachusetts

---

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

---

An Act providing further for the Protection of Depositors in and Borrowers from Banks in the Commonwealth.

1 *Whereas*, The deferred operation of this act would  
2 defeat its purpose, therefore it is hereby declared  
3 to be an emergency law, necessary for the im-  
4 mediate 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 Chapter fifty-nine of the acts of the current  
2 year is hereby amended by inserting after section  
3 two the following new section: —

4 *Section 2A.* During the period of any bank  
5 emergency so proclaimed, the board of bank in-  
6 corporation shall constitute the home loan board.  
7 Said board shall have authority to order any bank  
8 to refrain from foreclosing and/or demanding the

9 payment of the principal, or any part thereof, of  
10 any home mortgage held by said bank, and to  
11 order any such bank to accept bonds of the Home  
12 Owners' Loan Corporation, established under the  
13 provisions of an act of congress approved June  
14 fifteenth, nineteen hundred and thirty-three, and/or  
15 cash in payment and discharge of any home  
16 mortgage held by such bank whenever, in the  
17 opinion of said board, the interest of the public,  
18 or of such bank, or the depositors thereof, or the  
19 mortgagors of said mortgages may require, and any  
20 order or orders made by the board hereunder may  
21 be amended, extended or revoked, in whole or in  
22 part, whenever, in the judgment of the board,  
23 circumstances warrant or require; provided, that  
24 no such order shall require any bank to accept in  
25 payment and discharge of any home mortgage  
26 bonds and/or cash of a face value less than the  
27 amount due and payable in respect to said mortgage.  
28 After the termination of any such banking  
29 emergency any such order may be continued in  
30 effect as to any particular bank as aforesaid if in  
31 the judgment of the board of bank incorporation  
32 circumstances warrant or require and the governor  
33 approves of such action.

34 The term "home mortgage" as used in this  
35 section shall mean a first mortgage on real estate  
36 in fee simple, upon which there is located a dwelling  
37 for not more than four families used by the owner  
38 as a home, or held by him as his homestead and  
39 having a value not exceeding twenty thousand  
40 dollars.