

By Mr. Weinberg of Boston (by request), petition of George Broomfield that certain specifications be set forth in rates secured by mortgages written for amounts in excess of three hundred dollars. Banks and Banking.

The Commonwealth of Massachusetts

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

AN ACT REQUIRING THAT CERTAIN SPECIFICATIONS BE SET FORTH IN RATES SECURED BY MORTGAGES WRITTEN FOR AMOUNTS IN EXCESS OF THREE HUNDRED DOLLARS.

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 140 of the General Laws is hereby amended by in-
2 serting after section 114A the following section:—

3 *Section 114B.* Any note secured by a mortgage given in
4 consideration of a loan of more than three hundred dollars,
5 shall specify as separate items:— (1) the principal sum ad-
6 vanced, (2) the rate of interest or its equivalent in money,
7 (3) the period of the loan, and (4) the periodic due dates.
8 For the purpose of clarity interest shall include all sums paid
9 directly or indirectly by or on behalf of the borrower to the
10 lender in the form of interest, bonus, discharge commissions,
11 services, extension of the loan or otherwise for making or
12 securing the loan not including sums the lender may require
13 for disbursements for legal expense and expense of recording
14 and reasonable costs for searching title and costs of drafting
15 security agreements or the necessary documents.

16 Failure to include the foregoing provisions shall be a waiver
17 of the lenders' rights to collect interest in an action brought
18 as a result of such loan.

The Commission of Ignorance

By the Hon. the Member for [illegible]

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