

HOUSE No. 1852

By Mr. Buglione of Methuen, petition of Nicholas J. Buglione that banking institutions be required to pay interest on real estate tax deposit accounts. Banks and Banking.

The Commonwealth of Massachusetts

In the Year One Thousand Nine Hundred and Seventy-Three.

AN ACT REQUIRING THE PAYMENT OF INTEREST BY BANKS ON REAL ESTATE TAX DEPOSIT ACCOUNTS.

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 167 of the General Laws, as amended, is hereby
2 further amended by inserting after section 50 the following
3 section: —
4 *Section 50A.* Any bank, banking or investment company,
5 trust company, or credit union, holding a first mortgage on real
6 estate and requiring advance payments or deposit by the
7 mortgagor of funds as security for the payment of real estate
8 taxes on the mortgaged property, shall pay interest on any
9 amounts so deposited in advance at the same rate and in the same
10 manner as paid on savings deposits in the same depository.

HOUSE No. 1887

The Committee on _____

HOUSE No. 1853

By Mr. Manning of Waltham, petition of Donald J. Manning for legislation to regulate interest rates on home mortgages. Banks and Banking.

The Commonwealth of Massachusetts

In the Year One Thousand Nine Hundred and Seventy-Three.

AN ACT LIMITING RATES ON HOME MORTGAGES.

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
2 striking out section 90A and inserting in place thereof the
3 following section: —

4 *Section 90A.* No person shall directly or indirectly charge,
5 take or receive for a loan of more than fifteen hundred dollars
6 secured wholly or partially by a mortgage of real estate having an
7 assessed value of not over twenty-five thousand dollars, having
8 thereon a dwelling house with accommodations for six or less
9 separate households and occupied in whole or in part at the time
10 the loan is made as a home by any obligor on the mortgage debt
11 or by any person granting or releasing any interest under said
12 mortgage, a greater rate of interest than an amount equivalent to
13 one and one half per cent a month computed on unpaid balances,
14 but such interest shall not exceed one per cent a month after a
15 continuing default for a total period of six months. The borrower
16 shall have the right to anticipate his debt in whole or in part at
17 any time without being required to pay a penalty to the lender
18 therefor. The aggregate of the amount of money or value actually
19 received or held at the time of the loan, plus the sum of all
20 existing indebtedness of the borrower to the lender shall for the
21 purposes of this section and sections ninety B to ninety D,
22 inclusive, be deemed the amount of the loan. Except where the
23 borrower agrees in writing to a different application of his

24 payments, in cases where partial payments are made, the interest
25 shall be calculated to the time of payment, and such payment
26 shall first be applied to interest, and the balance thereafter
27 remaining, if any, shall be applied to principal.

28 The maximum interest shall include all sums paid, directly or
29 indirectly by or on behalf of the borrower to the lender for
30 interest, brokerage, commissions, services, extension of loan,
31 forbearance to enforce payment or otherwise for making or
32 securing the loan, not including, however, sums the lender may
33 require the borrower to pay or reimburse the lender for actual
34 recording and foreclosure costs for reasonable legal charges
35 incurred for the examination of the title and the marketability of
36 the security for the loan, for the drafting of the security
37 instruments or documents, and, when such services are utilized,
38 for collecting the debt or realizing upon the security.

39 As used in this section and in sections ninety B to ninety D,
40 inclusive, the following words shall have the following
41 meanings: -

42 "Loan", any loan of money or goods or forbearance of
43 money or goods or choses in action;

44 "Note", the instrument, other than the mortgage, evidencing
45 or containing the debt secured by the mortgage or any extension
46 or renewal of such instrument;

47 "Lender", any person making a loan of more than fifteen
48 hundred dollars secured by a mortgage as described in this
49 section and shall include any legal successor to the rights of the
50 lender;

51 "Borrower", shall include any legal successor to the borrower's
52 rights or obligations.

53 No person more than three times in one calendar year, shall
54 make or negotiate, or offer to make or negotiate, any loan
55 subject to this section unless he or his broker, agent or other
56 representative shall have first obtained a license from the
57 commissioner of banks. An application for a license shall be in
58 writing, under oath, and shall be in the form prescribed by the
59 commissioner. The application shall state the name and residence
60 and business addresses of the applicant, and if the applicant is a
61 partnership, of every member thereof, and if a corporation, of
62 each officer and director thereof. It shall also state the address
63 where the business is to be conducted and any other information

64 the commissioner may require. The fee for each license shall be
65 not less than one hundred dollars and the license year shall be the
66 calendar year.

67 The commissioner shall, from time to time, establish rules and
68 regulations relative to the granting of licenses and the renewal
69 thereof, the fees to be charged therefor and the business carried
70 on by licensees. He may, whenever he determines it to be in the
71 public interest, investigate the affairs of a licensee and, for that
72 purpose, shall have free access to the vaults, books and papers
73 thereof. The commissioner may cause an examination of said
74 books and business to be made by an accountant whom he may
75 select, and the cost of such examination shall be paid by the
76 licensee whose books are so examined.

77 The commissioner, or such other of his assistants as he may
78 designate, may summon a licensee, or any of his agents or
79 employees, and such other witnesses as he deems necessary, and
80 examine them relative to their transactions, may require the
81 production of books and papers and, for such purposes may
82 administer oaths. Whoever, without justifiable cause, fails or
83 refuses to appear and testify or to produce books and papers
84 when so required, or obstructs the commissioner or his repre-
85 sentatives in the performance of their duties, shall be punished
86 by a fine of not more than five hundred dollars or by im-
87 prisonment for not more than six months, or both.

88 If the commissioner refuses to issue a license, he shall notify
89 the applicant of the denial, return the sum paid by the applicant
90 as a license fee, less an investigation fee of fifty dollars for each
91 application to cover the cost of investigating the applicant; and
92 within twenty days thereafter he shall enter upon his records a
93 written decision and findings containing the reasons supporting
94 the denial, and shall forthwith give written notice thereof by
95 registered mail to the applicant. Within thirty days after the date
96 of such notice the applicant may appeal from such denial to the
97 superior court for the county of Suffolk, sitting in equity. The
98 court shall hear all pertinent evidence and determine the facts,
99 and upon the facts as so determined review said denial and, as
100 justice and equity may require, affirm the same or order the
101 commissioner to issue such license.

102 A license may be suspended or revoked by the commissioner
103 on the following grounds: - (1) material misstatement in

104 application for license; (2) failure to comply with the provisions
105 of this chapter; (3) defrauding any borrower to the borrower's
106 damage; (4) fraudulent misrepresentation, circumvention or
107 concealment by the licensee through whatever subterfuge or
108 device of any of the material particulars or the nature thereof
109 required to be stated or furnished to the borrower under this
110 section; (5) the existence of any fact or condition which, if it had
111 existed at the time of the original application for such license,
112 clearly would have warranted the commissioner in refusing to
113 issue such license.

114 If a licensee is a corporation, it shall be sufficient cause for the
115 suspension or revocation of its license that any officer or director
116 of a licensed corporation, or any member of a licensed
117 partnership, has so acted or failed to act as would be cause for
118 suspending or revoking a license to such party as an individual.
119 Each licensee shall be responsible for the acts of any of his
120 employees while acting as his agent, if such licensee after actual
121 knowledge of said acts retained the benefits, proceeds, profits or
122 advantages accruing from said acts or otherwise ratified said acts.

123 No license shall be suspended or revoked except after hearing
124 thereon by the commissioner or such of his assistants as he may
125 designate. The commissioner shall give the licensee at least ten
126 days' written notice, in the form of an order to show cause, of
127 the time and place of such hearing by registered mail addressed
128 to the principal place of business in this commonwealth of such
129 licensee. The said notice shall contain the grounds of complaint
130 against the licensee. Any order suspending or revoking such
131 license shall recite the grounds upon which the same is based.
132 The order shall be entered upon the records of the commissioner
133 and shall not be effective until after thirty days' written notice
134 thereof given after such entry forwarded by registered mail to the
135 licensee at such principal place of business. No revocation,
136 suspension or surrender of any license shall impair or affect the
137 obligation of any lawful note or mortgage acquired previously
138 thereto by the licensee. Within thirty days after such suspension
139 or revocation the person aggrieved thereby may appeal to the
140 superior court for the county of Suffolk, sitting in equity. The
141 court shall hear all pertinent evidence and determine the facts,
142 and upon the facts as so determined review said suspension or

143 revocation and, as justice and equity may require, affirm the
144 same or order that the commissioner rescind it.

145 This section and sections ninety B to ninety D, inclusive, shall
146 not apply to a loan secured by a first mortgage on real estate.

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HOUSE No. 2222

By Mr. [Name] of [State], [Title], [Committee],
legislative committee on [Topic], [Date]

The Commission on [Topic]

Act of [Year] [Chapter] [Section]

AN ACT TO [Title]

It is enacted by the [Title] of the [State] that [Text]

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