

By Mr. Walsh of Boston, petition of Richard L. Walsh and other members of the House for legislation to prohibit the denial of residential mortgage loans on the basis of the location of the property to be mortgaged. Banks and Banking.

**The Commonwealth of Massachusetts**

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

AN ACT TO PROHIBIT THE ARBITRARY DENIAL OF RESIDENTIAL MORTGAGE LOANS ON THE BASIS OF THE LOCATION OF THE PROPERTY TO BE MORTGAGED.

*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 4 of chapter 151B of the General Laws is hereby  
2 amended by striking out subsection 3B, as amended by Chapter  
3 874, section 2 of the acts of 1971, and inserting in place thereof the  
4 following section:—

5 3b. For any person, firm, partnership, association, corpora-  
6 tion, financial institution, or any other lender doing business in the  
7 commonwealth, or any agent or employee thereof, to whom  
8 application is made for financial assistance for the purchase, lease,  
9 acquisition, construction, rehabilitation, repair or maintenance of  
10 any real property:

11 (a) to discriminate against any person or group of persons  
12 because of race, creed, religion, national origin, sex, marital status,  
13 status with regard to public assistance or disability of such persons  
14 or group of persons or of the prospective occupants or tenants of  
15 such real property, or because such person or group of persons  
16 desire to obtain a loan on real property in a certain geographic area  
17 or areas in the granting, withholding, extending, modifying, or  
18 renewing or in the rates, terms, conditions, or privileges of any  
19 such financial assistance or in the extension of services therewith;

20 (b) to use any form of application for such financial assistance or to  
21 make any record or inquiry in connection with such applications  
22 for such financial assistance which expresses, directly or indirectly,  
23 any limitation, specification, or discrimination as to geographic

24 area, or any intent to make such limitation, specification, or  
25 discrimination, in the granting, withholding, extending, modifying  
26 or renewing, or in the rates, terms, conditions, or privileges of any  
27 such financial assistance or in the extension of services in  
28 connection therewith; (c) to differentiate between various sections,  
29 communities, towns or cities of the commonwealth on the basis of  
30 the age of structures, the income level, or the social, ethnic, or  
31 racial composition of that area, The criteria for accepting or  
32 refusing such a request for financial assistance shall be based solely  
33 on reasons of economic feasibility, the credit worthiness of the  
34 individual applicant or applicants, as determined by an examina  
35 tion of his or their financial assets and liabilities, and the physical  
36 condition of the individual property on which the loan is to be  
37 made. In the event of refusal, any applicant or applicants for such  
38 financial assistance may request the reasons for refusal to be made  
39 by the lender in writing at the time of such denial.

40 It shall be a defense to any allegation of discrimination under  
41 this section if the mortgage lender can show that the property or  
42 properties for which the loan application were made are not within  
43 the reasonable service area of the mortgage lender.

44 It shall not be a violation of this section if the loan is made  
45 pursuant to a specific public or private program, the purpose of  
46 which is to increase the availability of mortgage loans within a  
47 specific neighborhood or geographical area.