

**SENATE . . . . . No. 31**

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By Mr. Lewis, a petition (accompanied by bill, Senate, No. 31) of Arthur Joseph Lewis, Jr., for legislation to prevent the practice of discriminatory redlining against geographic areas in the granting of mortgage loans. Banks and Banking.

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**The Commonwealth of Massachusetts**

In the Year One Thousand Nine Hundred and Eighty.

**AN ACT TO PREVENT THE PRACTICE OF DISCRIMINATORY REDLINING  
AGAINST GEOGRAPHIC AREAS IN THE GRANTING OF MORTGAGE LOANS.**

*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 sec-  
3 tion 1 of chapter 637 of the acts of 1975 and inserting in place  
4 thereof the following subsection: —

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

11 (a) to discriminate against any person, or group of per-  
12 sons because of race, color, religious creed, national origin,  
13 sex, ancestry, age, marital status, status with regard to pub-  
14 lic assistance or disability of such persons or group of persons  
15 or of the prospective occupants or tenants of such real prop-  
16 erty, or because such person or group of persons desire to ob-  
17 tain a loan on real property in a certain geographic area or  
18 areas in the granting, withholding, extending, modifying, or  
19 renewing or in the rates, terms, conditions, or privilege of any  
20 such financial assistance or in the extension of services there-  
21 with; (b) to use any form of application for such financial  
22 assistance or to make any record or inquiry in connection  
23 with such applications for such financial assistance which ex-

24 presses, directly or indirectly, any limitation, specification, or  
25 discrimination as to geographic area, or any intent to make  
26 such limitation, specification, or discrimination, in the grant-  
27 ing, withholding, extending, modifying or renewing, or in the  
28 rates, terms, conditions, or privileges of any such financial  
29 assistance or in the extension of services in connection there-  
30 with; (c) to differentiate between various sections, commu-  
31 nities, towns or cities of the commonwealth on the basis of  
32 the age of structures, the income level, or the social ethnic, or  
33 racial composition of that area. The criteria for accepting or  
34 refusing such a request for financial assistance shall be based  
35 solely on reasons of economic feasibility, the credit worthi-  
36 ness of the individual applicant or applicants, as determined  
37 by an examination of his or their financial assets and liabili-  
38 ties, and the physical condition of the individual property on  
39 which the loan is to be made. In the event of refusal, any-  
40 applicant or applicants for such financial assistance may re-  
41 quest the reasons for refusal to be made by the lender in  
42 writing at the time of such denial.

43 It shall be a defense to any allegation of discrimination  
44 under this section if the mortgage lender can show that the  
45 property or properties for which the loan application were  
46 made are not within the reasonable service area of the mort-  
47 gage lender.

48 It shall not be a violation of this section if the loan is made  
49 pursuant to a specific public or private program, the purpose  
50 of which is to increase the availability of mortgage loans  
51 within a specific neighborhood or geographical area and pro-  
52 vided that in case of age the failure or refusal to grant any  
53 mortgage loan the duration of which exceeds the life ex-  
54 pectancy of the applicant as determined by the most recent  
55 individual Annuity Mortality Table, or the failure or refusal  
56 to grant any mortgage loan to a person who has not attained  
57 the age of majority, shall not be an unlawful practice.