

SENATE No. 1436

The Commonwealth of Massachusetts

SENATE, May 3, 1976.

The committee on Banks and Banking, to whom was referred the petition (accompanied by bill, Senate, No. 63) of William M. Bulger and members of the House of Representatives for legislation to further regulate certain consumer transactions, reports the accompanying bill (Senate, No. 1436).

For the Committee,

ARTHUR J. LEWIS, JR.

The Commonwealth of Massachusetts

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

AN ACT FURTHER REGULATING CERTAIN CONSUMER TRANSACTIONS.

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 1. Section 12F of chapter 255 of the General Laws,
2 as inserted by chapter 457 of the acts of 1970, is hereby amend-
3 ed by striking out the second paragraph and inserting in place
4 thereof the following: —

5 A creditor in consumer loan transactions shall be subject to
6 all of the claims and defenses of the borrower arising from the
7 consumer sale or lease for which the proceeds of the loan are
8 used, if the creditor knowingly participated in or was directly
9 connected with the consumer sale or lease transaction. Re-
10 covery hereunder by the borrower shall not exceed amounts
11 paid by the borrower hereunder.

1 SECTION 2. Section 19A of chapter 255B of the General
2 Laws, as inserted by chapter 343 of the acts of 1971, is hereby
3 amended by striking out said section and inserting in place
4 thereof the following: —

5 19A. The holder of a retail installment contract, or other
6 person acting in his behalf, shall be subject to all of the claims
7 and defenses, real and personal, which the retail buyer may
8 have against the retail seller thereof. Recovery hereunder by
9 the buyer shall not exceed amounts paid by the buyer here-
10 under.

1 SECTION 3. Section 25A of chapter 255D of the General
2 Laws, as inserted by chapter 202 of the acts of 1970, is hereby
3 amended by striking out said section and inserting in place
4 thereof the following: —

5 25A. The holder of a retail installment sale agreement, or
6 other person acting in his behalf, shall be subject to all de-
7 fenses, real and personal, which the installment buyer may
8 have against the installment seller thereof. Recovery hereun-
9 der by the buyer shall not exceed amounts paid by the buyer
10 hereunder.