

HOUSE No. 4824

By Mr. Cusack of Arlington, petition of John F. Cusack that banks and other lending institutions be authorized to grant reverse mortgages. Banks and Banking.

The Commonwealth of Massachusetts

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

AN ACT AUTHORIZING BANKS AND OTHER LENDING INSTITUTIONS TO GRANT REVERSE MORTGAGE.

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 is hereby amended by inserting
2 after section 50 the following section:—
3 *Section 50A.* Any savings bank, cooperative bank, trust
4 company or credit union may grant reverse mortgages
5 whereby such lending institution and a person owning a residence
6 upon which there is no mortgage lien may enter a contract
7 providing for monthly payments to such owner until such time as
8 the owner dies or the title is transferred, whichever first occurs
9 provided that the total of such payments may not exceed the value
10 of such resident. Upon such event, the lending institution shall
11 recoup the amount of such payments, plus a fee of 1% thereon, and
12 the difference between the amount of such payments, and the sales
13 price if any, shall be paid to the owner or his estate, as the case may
14 be. The owner may purchase a policy of insurance covering the risk
15 that the total of such monthly payments, as agreed, will accrue
16 prior to the death of the owner or the transfer of title, in which
17 event the monthly payment shall continue to be made.

