

By Mr. Cohen of Newton, petition of David B. Cohen for legislation to prohibit mortgagees from charging variable rates of interest on certain mortgage loans. Banks and Banking.

The Commonwealth of Massachusetts

In the Year One Thousand Nine Hundred and Eighty-Two.

AN ACT PROHIBITING MORTGAGEES FROM CHARGING VARIABLE RATES OF INTEREST ON CERTAIN 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 Chapter 183 of the General Laws is hereby amended by striking
2 out Section 60, as most recently amended by Section 2 of Chapter
3 335 of the acts of 1980, and inserting in place thereof the following
4 section: —

5 *Section 60.* No mortgagee may make a mortgage loan secured
6 by a first lien on a dwelling house of four or fewer separate
7 households occupied or to be occupied in whole or in part by the
8 mortgagor which loan is evidenced by a note which provides for
9 variation in the rate of interest over the term of the note.

10 No mortgagee may make a mortgage loan secured by a first lien
11 on a dwelling house of four or fewer separate households occupied
12 or to be occupied in whole or in part by the mortgagor which loan is
13 evidenced by a note which provides for installment payments of
14 principal and interest, or both, that will not amortize the principal
15 amount, in substantially equal monthly payments, in full by the
16 maturity of the note.

1 SECTION 2. Sections seventy and seventy-one of Chapter one
2 hundred and sixty-seven of the General Laws are hereby repealed.

