

By Mr. Ciccarelli of Watertown, petition of Salvatore Ciccarelli relative to finance charges assessed pursuant to open-end credit plans. Banks and Banking.

The Commonwealth of Massachusetts

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

AN ACT PERTAINING TO FINANCE CHARGES ASSESSED PURSUANT TO OPEN-END CREDIT PLANS.

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 114B of Chapter 140 of the General Laws,
2 as most recently amended by Section 1 of Chapter 384 of the Acts
3 of 1981, is hereby further amended by striking the first paragraph
4 thereof and replacing it with the following new paragraph: —

5 *Section 114B.* Notwithstanding the provisions of sections one
6 hundred and one hundred and fourteen A, a creditor may charge a
7 daily, monthly or periodic rate of finance charge on loans made
8 pursuant to an open-end credit plan as defined by subsection (r) of
9 section one of chapter one hundred and forty C. A finance charge
10 not in excess of fifty cents for a monthly or longer billing cycle
11 or the pro rata part of fifty cents for a billing cycle shorter than
12 monthly may be assessed if the finance charge otherwise assessable
13 is less than fifty cents. For the purpose of this section, a billing cycle
14 shall be considered to be monthly if the billing dates are on the
15 same day of each month or do not vary by more than four days
16 therefrom.

1 SECTION 2. Section 27 of Chapter 255D of the General Laws,
2 as most recently amended by Section 3 of Chapter 384 of the Acts
3 of 1981, is hereby further amended by striking out clause (1) of
4 subsection (C) and inserting in place thereof the following: —

5 C. (1) An installment seller under a revolving credit agreement
6 may assess a daily, monthly or periodic rate of finance charge upon

7 the installment buyer. A finance charge not in excess of fifty cents
8 for a monthly or longer billing cycle or the pro rata part of fifty
9 cents for a billing cycle shorter than monthly may be assessed if the
10 finance charge otherwise assessable is less than fifty cents. For the
11 purpose of this clause, a billing cycle shall be considered to be
12 monthly if the billing dates are on the same day of each month or
13 do not vary by more than four days therefrom.