

SENATE No. 29

By Mr. Burke, a petition (accompanied by bill, Senate, No. 29) of John P. Burke for legislation relative to interest paid on escrow deposits with mortgagees. Banks and Banking.

The Commonwealth of Massachusetts

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

AN ACT REGARDING INTEREST PAID ON ESCROW DEPOSITS WITH MORTGAGEES.

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 61 of chapter 183 of the general laws is hereby
2 amended by striking out the first paragraph, and inserting in
3 its place the following paragraph:

4 A mortgagee doing business in the commonwealth and hold-
5 ing a first mortgage or lien on a dwelling house of four or
6 fewer separate households occupied or to be occupied in whole
7 or in part by the mortgagor, who requires advance payments,
8 deposits, or other security by said mortgagor for the payment
9 of taxes or insurance premiums on said mortgaged property,
10 shall pay interest to said mortgagor on any amounts so paid
11 or deposited in advance. Interest shall be paid by the mort-
12 gagee at a rate equal to the rate paid on regular savings ac-
13 counts minus one percent for administrative costs, and this
14 interest shall be compounded monthly and paid annually.

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