

HOUSE No. 1030

Accompanying the petition of Herbert E. Dennett for an amendment of the law relative to the protection of mortgagors. Joint Judiciary. January 21.

The Commonwealth of Massachusetts.

In the Year One Thousand Nine Hundred and Twenty-One.

AN ACT

For the Better Protection of Mortgagors.

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. Chapter two hundred and sixty-six of the
2 General Laws is hereby amended by inserting after sec-
3 tion thirty-one the following section:— *Section 31-A.*
4 Whoever, being the holder of a mortgage of real estate
5 which has been sold on foreclosure for the payment of
6 the mortgage, fails to pay over to the holder or holders
7 of the equity of redemption, including subsequent mort-
8 gators of the mortgaged property, all proceeds of the
9 sale after deducting the reasonable costs thereof and the
10 principal and interest due on said mortgage, shall be
11 guilty of larceny.

1 SECTION 2. Section two of chapter two hundred and
2 sixty of the General Laws is hereby amended by striking
3 out the period at the end of line seven and inserting the
4 following:— and except that actions in law or equity

5 by mortgagors or their legal representatives to recover
6 the proceeds of the sale of real estate sold under a power
7 of sale contained in the mortgage may be commenced
8 at any time.

1 SECTION 3. Section sixty-three of chapter two hun-
2 dred and seventy-seven of the General Laws is hereby
3 amended by inserting after the word "murdered", in line
4 two, the following:— An indictment may be found or a
5 prosecution begun at any time after the commission of
6 the offense defined in section thirty-one A of chapter two
7 hundred and sixty-six.

1 SECTION 4. Chapter twelve of the General Laws is
2 hereby amended by inserting after section ten the follow-
3 ing section:— *Section 10-A.* The attorney general or
4 his assistants shall at all times advise and assist mort-
5 gagors in the protection of their rights, and in his dis-
6 cretion, to protect a family home, the attorney-general
7 may, under chapter seventy-nine, take over the interest
8 of any mortgagee.

1 SECTION 5. Chapter one hundred and eighty-three of
2 the General Laws is hereby amended by inserting after
3 section seven the following new section:— *Section 7-A.*
4 All mortgages hereafter written shall, at the option of
5 the mortgagor, be payable in monthly instalments equal
6 to the quotient of the amount of the mortgage divisible
7 by the number of months of the term thereof, plus the
8 interest accrued on the unpaid balance of the mortgage.

1 SECTION 6. Mortgagees shall stand in the same fidu-
2 ciary relation to mortgagors that a trustee now stands in
3 relation to a cestui que trust.

