

By Mr. Driscoll of Northbridge, petition of the Credit Union League of Massachusetts, Inc., and Charles E. Luke Driscoll relative to collateral loans in credit unions. Banks and Banking.

The Commonwealth of Massachusetts

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

AN ACT RELATIVE TO COLLATERAL LOANS IN CREDIT UNIONS.

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 24A of chapter 171 of the General Laws as most re-
2 cently amended in chapter 493 of the acts of 1961 is hereby
3 amended by striking out paragraph No. 4 and the first para-
4 graph of No. 6 and by amending paragraph five in the first
5 sentence after the word "borrower" in the following:—fully
6 secured by a pledge of satisfactory collateral or listed securities
7 valued at not more than eighty per cent of market value or—,
8 so that the same will read:—No. 5. To an amount not ex-
9 ceeding five thousand dollars if evidenced by the note of the
10 borrower fully secured by a pledge of satisfactory collateral or
11 listed securities valued at not more than eighty per cent of its
12 market value or with sufficient collateral pledged to secure the
13 same made up of bonds or notes of the United States, or of any
14 state or subdivision thereof, which are legal investments for
15 savings banks, or credit unions, in this commonwealth valued
16 at not more than eighty per cent of their market value, or by
17 the assignment of the pass book of a depositor in a savings bank
18 doing business in any of the New England states or in the sav-
19 ings department of a trust company or national banking associ-
20 ation doing business in this commonwealth, or the pass book of
21 a depositor in a co-operative bank incorporated under chapter
22 one hundred and seventy, or the pass book of a shareholder in a
23 federal savings and loan association doing business in this com-
24 monwealth, or policies issued by life insurance companies au-
25 thorized to transact business in this commonwealth valued at
26 not more than their cash surrender value.

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