

HOUSE No. 1731

By Mr. Flynn of Malden, petition of the Savings Banks Association of Massachusetts relative to making certain loans insured by the Federal Housing Administrator. Banks and Banking.

The Commonwealth of Massachusetts

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

AN ACT RELATIVE TO MAKING CERTAIN LOANS INSURED BY THE FEDERAL HOUSING ADMINISTRATOR.

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 51 of chapter 167 of the General Laws, as most re-
2 cently amended by chapter 422 of the acts of 1960, is hereby
3 further amended by striking out therefrom the second sentence
4 thereof and inserting in place thereof the following two new
5 sentences:— With respect to the obligation of any mortgage
6 contract entered into under any provision of this section, for
7 the life of said obligation, no provision of law limiting the ratio
8 of a mortgage loan to the value of the property or the term of
9 the mortgage, or limiting the power of any trust company,
10 savings bank, co-operative bank, banking company or credit
11 union to make loans other than those secured by mortgages
12 upon real estate shall apply to loans made pursuant to this
13 section and subject to regulations referred to herein, and no
14 provision of law limiting the power of any trust company,
15 savings bank, co-operative bank, banking company or credit
16 union to make loans shall apply to home improvement loans
17 insured pursuant to the provisions of subsection (h) of section
18 two hundred and twenty or of subsection (k) of section two
19 hundred and three of the National Housing Act as the same
20 may from time to time be amended and subject to such regula-
21 tions, but no more than ten per cent of the total deposits of
22 any trust company, savings bank, co-operative bank, banking

23 company or credit union shall be invested at any one time in
24 loans insured pursuant to the provisions of said subsections (h)
25 or (k). Nothing contained herein shall be deemed to abridge
26 any power or authority conferred upon the commissioner of
27 banks by any other provision of law.