

HOUSE . . . . . No. 1041.

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Commonwealth of Massachusetts.

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HOUSE OF REPRESENTATIVES, Feb. 13, 1902.

The committee on Banks and Banking, to whom was referred the bill (introduced on leave) to incorporate the Lowell Collateral Loan Association (Senate, No. 66), report that the same ought to pass in a new draft herewith submitted.

For the Committee,

DANIEL J. O'BRIEN.

## Commonwealth of Massachusetts.

In the Year One Thousand Nine Hundred and Two.

### AN ACT

To incorporate the Lowell Collateral Loan Association.

*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. Thomas H. Kelley, William H.  
2 Curtin, Arthur Kelley, George Fanuef, Harry K.  
3 Noyes, John Kelley, Dennis Connors, their asso-  
4 ciates and successors, are hereby made a corpora-  
5 tion by the name of the Lowell Collateral Loan  
6 Association to be located at Lowell, for the pur-  
7 pose of loaning money upon pledge or mortgage  
8 of goods and chattels, or of safe securities of  
9 every kind; and all the powers and privileges  
10 necessary for the execution of these purposes are  
11 granted, and said corporation shall also have all  
12 the powers and privileges and be subject to all the  
13 duties, restrictions and liabilities set forth in chap-  
14 ter one hundred and nine of the Revised Laws, and  
15 in all the general laws which now are or hereafter  
16 may be in force in relation to such corporations.

1 SECTION 2. The capital stock of said corpora-  
2 tion shall be twenty thousand dollars, to be divided  
3 into shares of one hundred dollars each, and to be  
4 paid for at such times and in such manner as the  
5 board of directors shall decide: *provided*, that no  
6 business shall be transacted by said corporation  
7 until said amount of twenty thousand dollars is  
8 subscribed for and actually paid in; and no certif-  
9 icate of shares shall be issued until the par value  
10 of such shares shall have actually been paid in in  
11 cash. The said corporation may increase its  
12 capital stock from time to time until the same  
13 amounts to one hundred thousand dollars.

1 SECTION 3. Said corporation is hereby author-  
2 ized to borrow money on its own notes not ex-  
3 ceeding the amount of its capital paid in, and for  
4 periods not exceeding one year.

1 SECTION 4. When said corporation has dis-  
2 posable funds it shall loan on all goods and chat-  
3 tels offered, embraced within its rules and  
4 regulations, in the order in which they are offered,  
5 with this exception, that it may always discrimi-  
6 ate in favor of small loans to the indigent.

1 SECTION 5. All loans shall be for a time fixed  
2 and not more than one year, and the mortgagor  
3 or pledgor shall have a right to redeem his prop-  
4 erty mortgaged or pledged, at any time before it  
5 is sold, in pursuance of the contract between the

6 parties, or before the right of redemption is fore-  
7 closed, on payment of the loan and rate of com-  
8 pensation to the time of the offer to redeem. No  
9 charges shall be made for making a preliminary  
10 examination when a loan is not made, nor for the  
11 examination of property offered at the office of  
12 the association for pledge.

1 SECTION 6. The corporation shall give to each  
2 pledgor a card inscribed with the name of the  
3 corporation, the article or articles pledged, the  
4 name of the pledgor, the amount of the loan,  
5 the rate of compensation, the date when made, the  
6 date when payable, the page of the book where  
7 recorded, and a copy of sections seven and eight  
8 of this act.

1 SECTION 7. Property pledged to the associa-  
2 tion must be held one year unless sooner re-  
3 deemed, and if not redeemed within one year  
4 from the date of the loan shall be sold at public  
5 auction, and the net surplus, after paying loan  
6 charges and expenses of sale, shall be held one  
7 year for the owner. All auction sales shall be  
8 advertised for at least one week in two daily  
9 newspapers published in Lowell. In case a  
10 savings bank deposit book pledged to the asso-  
11 ciation shall not be redeemed as above it shall  
12 not be necessary for the association to sell the  
13 same at public auction, but it may convert the  
14 same, or so much thereof as may be necessary to  
15 pay the debt, in such mode and at such time as in

16 the judgment of the directors will best secure  
17 the interest of all parties, holding the net surplus  
18 as above for the owner.

1 SECTION 8. Said corporation shall in no case  
2 charge interest at a rate exceeding one and one  
3 half per centum per month.

1 SECTION 9. The commissioners of savings  
2 banks shall have access to the vaults, books and  
3 papers of the corporation, and it shall be their  
4 duty to inspect, examine and inquire into its  
5 affairs, and to take proceedings in regard to them,  
6 in the same manner and to the same extent as if  
7 said corporation was a savings bank, subject to  
8 all the general laws which are now or hereafter  
9 may be in force relating to such institutions in  
10 this regard. The returns required to be made to  
11 the commissioners of saving banks shall be in the  
12 form of a trial balance of its books, and shall  
13 specify the different kinds of its liabilities and  
14 the different kinds of its assets, stating the amounts  
15 of each kind, together with such other informa-  
16 tion as may be called for by said commissioners, in  
17 accordance with a blank form to be furnished by  
18 said commissioners; and these returns shall be pub-  
19 lished in a newspaper of the city of Lowell, at the  
20 expense of said corporation, at such times and in  
21 such manner as may be directed by said commission-  
22 ers, and in the annual report of said commissioners:  
23 *provided, however,* that said commissioners may  
24 cause any examination to be made by an expert

25 under their direction but at the expense of the  
26 corporation.

1 SECTION 10. The government of said corpo-  
2 ration shall be vested in a board of directors,  
3 chosen as the by-laws may prescribe, conformably  
4 to law: *provided, however,* that one director shall  
5 be appointed by the governor of the Common-  
6 wealth and one shall be appointed by the mayor  
7 of the city of Lowell, and the board thus con-  
8 stituted shall elect one of their number president,  
9 and such other officers as may be deemed neces-  
10 sary. The compensation of the directors appointed  
11 by the governor and mayor for their services and  
12 attendance at meetings shall be paid by said cor-  
13 poration.