

[Senate, May 23, 1962. — Moved (Mahar) as a sub for Senate Bill printed as House, No. 1487.]

The Commonwealth of Massachusetts

In the Year One Thousand Nine Hundred and Sixty-Two

AN ACT PROVIDING THAT PERSONS ENGAGED IN THE BUSINESS OF EXTENDING CREDIT SHALL FURNISH DEBTORS WITH A WRITTEN STATEMENT OF THE FINANCE CHARGES.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

1 Chapter 255 of the General Laws is hereby amended by in-
2 serting after section 12D, inserted by chapter 309 of the acts
3 of 1962, the following two sections:—

4 *Section 12E.* The following terms, as used in this section
5 and section twelve F, shall have the following meanings:—

6 “Credit” means any loan, residential mortgage, deed of trust,
7 advance, or discount; any conditional sales contract; any con-
8 tract to sell, or sale or contract of sale of property or services,
9 either for present or future delivery, under which part or all
10 of the price is payable subsequent to the making of such sale
11 or contract; any rental purchase contract; or any transaction
12 or series of transactions having a similar purpose or effect.
13 The term shall include all written extensions of credit granted
14 primarily for personal, family or household purposes but shall
15 not include any extension of credit granted for commercial,
16 industrial or other business purposes.

17 “Finance charges” means interest, discount, add-on or serv-
18 ice charges made for the extension of credit.

19 *Section 12F.* Whoever engages in the business of extending
20 credit shall furnish to each person to whom such credit is ex-
21 tended, prior to or concurrently with the scheduled date for

22 the payment of the first instalment under the transaction or
23 agreement to extend credit, a clear statement in writing set-
24 ting forth the finance charges, expressed in either dollars,
25 rate of interest, or monthly rate of charge, or a combination
26 thereof, to be borne by such person in connection with such
27 extension of credit.

28 Whoever knowingly violates any provision of this section
29 shall be punished by a fine of not more than five hundred
30 dollars, or by imprisonment for not more than one month, or
31 both.