HOUSE . . . . . No. 3334

The Commonwealth of Massachusetts

House of Representatives, March 30, 1964.

The committee on Banks and Banking, to whom were referred the petition (accompanied by bill, Senate, No. 9) of James W. Hennigan, Jr., for legislation to abolish the Small Loans Regulatory Board and establishing the maximum charges on loans of three thousand dollars or less; and the petition (accompanied by bill, House, No. 1448) of George W. Spartichino for legislation to abolish the Small Loans Regulatory Board and establishing the maximum charges on loans of three thousand dollars or less, report the accompanying bill (House, No. 3334).

For the committee,

MICHAEL A. NAZZARO.

The Commonwealth of Massachusetts

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

AN ACT ABOLISHING THE SMALL LOANS REGULATORY BOARD AND ESTABLISHING THE MAXIMUM CHARGES ON LOANS OF THREE THOUSAND DOLLARS OR LESS.

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

SECTION 1. Section five A of chapter twenty-six of the General Laws is hereby repealed.

SECTION 2. Chapter 140 of the General Laws is hereby amended by striking out section 95, as amended by section 1 of chapter 689 of the acts of 1956, and inserting in place thereof the following section: —

Section 95. Sections ninety to ninety-four, inclusive, shall not apply to any loan of fifteen hundred dollars or less made by a person who holds a license under sections ninety-six to one hundred and thirteen, inclusive, or by an institution specified in section one hundred and fourteen A nor affect section seventy-two of this chapter or subparagraph (*a*) of subsection 2 of section 9–207 or section 9–506 of chapter one hundred and six.

SECTION 3. Said chapter 140 is hereby amended by striking out section 100, as amended by section 4 of chapter 689 of the acts of 1956, and inserting in place thereof the following section: —

Section 100. As used in this section the term "licensee" shall mean all persons licensed under sections ninety-six to one hundred and thirteen, inclusive.

The total amount to be collected on any loan of three thousand dollars or less by a licensee for interest, expenses and other considerations shall not, in the aggregate exceed an amount equivalent to the maximum monthly rate of charge, hereinafter set forth, computed on unpaid principal balances of the amount

13 actually received by the borrower except that the lawful fees
14 actually paid out by the lender to a public officer for filing, re-
15 cording, releasing or discharging any instrument securing the
16 loan may be charged to and collected from the borrower when the
17 loan is made or at any time thereafter and shall not be included
18 in the maximum rate of charge.

19 The maximum rate of charge shall not exceed two per cent
20 per month on any part of the unpaid principal balance of a loan
21 not exceeding five hundred dollars; one and three quarters per
22 centum per month on any part of the unpaid principal balance
23 exceeding five hundred dollars but not exceeding one thousand
24 dollars; three fourths of one per centum per month on any part
25 of the unpaid principal balance exceeding one thousand dollars
26 but not exceeding three thousand dollars, and six per centum per
27 annum after the termination of one year after maturity on the
28 amount actually received by the borrower computed on the
29 unpaid principal balance.

30 No licensee shall willfully permit any person, or any husband
31 and wife jointly or severally, to be obligated, either directly or
32 contingently to such licensee, under more than one contract of
33 loan at the same time for the purpose of obtaining a higher rate
34 of charge than would otherwise be permitted by this section on
35 a single loan contract. No licensee or company or association
36 to which sections ninety-six to one hundred and thirteen, in-
37 clusive, apply shall charge or receive upon any loan more than
38 the maximum rate of charge permitted by this section. No
39 charge, bonus, fee, expense or demand of any nature whatsoever,
40 except as herein provided, shall be made upon loans to which
41 said sections relate.