

HOUSE No. 1333

By Mr. Weinberg of Boston, petition of the Mass. CUNA Credit Union, Assoc., Norman S. Weinberg, Dave N. Vigneault and another for legislation to allow credit unions to make home improvement loans without the requirement that the loan be insured by the Federal Housing Agency. Banks and Banking.

The Commonwealth of Massachusetts

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

AN ACT TO ALLOW CREDIT UNIONS TO MAKE HOME IMPROVEMENT LOANS WITHOUT THE REQUIREMENT THAT THE LOAN BE INSURED BY THE FEDERAL HOUSING AGENCY.

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. Section 24 of chapter 171 of the General Laws,
2 as most recently amended, is hereby further amended by adding
3 a new subparagraph following subparagraph (c) as follows:—
4 (d) Loans for the purpose of improving, repairing, altering
5 or rehabilitating improved real estate or the purchase and in-
6 stallation of fixtures to be affixed thereto.

1 SECTION 2. Section 24 of chapter 171 of the General Laws,
2 as most recently amended, is hereby further amended by strik-
3 ing out subparagraph 3B of paragraph (B) and by inserting
4 after paragraph (C) of section 24 of chapter 171 the following:—
5 D. A credit union may make loans to the owner of improved
6 real estate for the purpose of financing the improvement, re-
7 pair, alteration or rehabilitation of such real estate or the pur-
8 chase and installation of fixtures to be affixed thereto. Such
9 loan shall not exceed three thousand five hundred dollars, ex-
10 clusive of interest or discount from the date of the note with
11 respect to any one parcel of such real estate. The loan shall be

12 payable within five years from the date of the note. The terms
13 of the note or mortgage shall require that, commencing not
14 later than two months after the date of the note, (a) payments
15 shall be made on account of the principal in equal monthly in-
16 stallments in amounts which, at the maturity of the note, shall
17 equal the original amount of the loan, or (b) fixed monthly pay-
18 ments shall be made in approximately the same amount during
19 the term of the loan, which payments shall first be applied to
20 interest and the balance to principal. The aggregate balance
21 of principal outstanding at any one time on loans of this class
22 shall not exceed ten per cent of the deposits, and shares, of such
23 corporation.