

By Mr. Linsky of Brookline, petition of Stephen N. Hollman, Martin A. Linsky and John J. Moakley for legislation to prohibit the assessment of finance charges on open end credit accounts until nine days after a statement of account has been mailed or delivered to the customer. Banks and Banking.

The Commonwealth of Massachusetts

In the Year One Thousand Nine Hundred and Seventy.

AN ACT PROVIDING THAT NO FINANCE CHARGE MAY BE ASSESSED OR COLLECTED FROM CUSTOMERS ON OPEN END CREDIT ACCOUNTS UNTIL NINE DAYS AFTER A STATEMENT OF ACCOUNT HAS BEEN MAILED OR DELIVERED TO THE CUSTOMER.

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 140C of the General Laws as inserted by chapter
2 517 of the acts of 1969 is hereby amended by inserting after
3 section 6 the following section:—

4 *Section 6A.* The creditor shall mail or deliver to the cus-
5 tomer the statement or statements required by subsection (b)
6 of section six for each billing cycle at least nine days before
7 the end of the next succeeding billing cycle. If the creditor
8 fails to mail or deliver such statement or statements within
9 the specified period, he shall not be entitled to any finance
10 charge with respect to the next succeeding billing cycle based
11 upon the previous balance of such next succeeding billing
12 cycle. If any such finance charge is assessed or collected, the
13 customer shall receive a credit or refund for any such finance
14 charge assessed or collected other than in accordance with the
15 provisions of this section within the two billing cycles follow-
16 ing such assessment or collection. The failure to provide such
17 credit or refund within the period specified shall subject the
18 creditor to the penalties provided in subsection (a) of sec-
19 tion ten.

