

# HOUSE . . . . . No. 4369

By Mr. Connell of Weymouth, petition of William A. Connell, Jr., relative to personal loans by co-operative banks. Banks and Banking.

## The Commonwealth of Massachusetts

In the Year One Thousand Nine Hundred and Seventy.

### AN ACT RELATIVE TO PERSONAL LOANS BY CO-OPERATIVE BANKS.

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

1 Subsection 8 of section 30 of chapter 170 of the General  
2 Laws, as most recently amended by chapter 236 of the acts of  
3 1968, is hereby further amended by striking out the first four  
4 sentences and inserting in place thereof the following four  
5 sentences:—Such corporation may make or acquire a loan or  
6 series of loans owed by one or more responsible borrowers,  
7 evidenced by note, loan agreement, or other instrument, with  
8 or without security, at such lawful rate of interest and subject  
9 to such other lawful charges as the board of investment shall  
10 by rules or regulations determine. Such loan or loans shall be  
11 payable and shall be paid in installments at intervals of not  
12 exceeding one month. Such note or other instruments may pro-  
13 vide for the payment of the first installment on a date not more  
14 than three months from the date of the instrument or of some  
15 one subsequent installment on a date not more than three  
16 months from the date of the last prior installment. The total  
17 obligation of any one person to any such corporation outstand-  
18 ing at any one time in this class of investment, including, in  
19 the case of a savings and insurance bank, as defined in section  
20 one of chapter one hundred and seventy-eight, any obligation  
21 on account of any such loan or loans made from funds of the  
22 insurance department pursuant to section nine of said chapter  
23 shall not exceed four thousand five hundred dollars, exclusive

24 of interest or discount; and the aggregate balance of such  
25 loans made by any such corporation, at any time outstanding,  
26 shall not exceed ten per cent of its deposits not in excess of  
27 fifty million dollars plus five per cent of its deposits in excess  
28 of fifty million dollars.