
By Mr. Lewis, a petition (accompanied by bill, Senate, No. 8) of Arthur Joseph Lewis, Jr., for legislation to prevent the practice of discriminatory redlining against geographic areas in the granting of mortgage loans. Banks and Banking.

The Commonwealth of Massachusetts

In the Year One Thousand Nine Hundred and Seventy-eight.

AN ACT TO PREVENT THE PRACTICE OF DISCRIMINATORY REDLINING AGAINST GEOGRAPHIC AREAS IN THE GRANTING OF MORTGAGE LOANS.

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 4 of chapter 151B of the General Laws is hereby
2 amended by striking out subsection 3B, as amended by section
3 1 of chapter 637 of the acts of 1975 and inserting in place
4 thereof the following subsection: —

5 3B. For any person, firm, partnership, association, corpo-
6 ration, financial institution, or any other lender doing busi-
7 ness in the commonwealth, or any agent or employee thereof,
8 to whom application is made for financial assistance for the
9 purchase, lease, acquisition, construction, rehabilitation, repair
10 or maintenance of any real property:

11 (a) to discriminate against any person, or group of persons
12 because of race, color, religious creed, national origin, sex,
13 ancestry, age, marital status, status with regard to public
14 assistance or disability of such persons or group of persons or
15 of the prospective occupants or tenants of such real property,
16 or because such person or group of persons desire to obtain a
17 loan on real property in a certain geographic area or areas in
18 the granting, withholding, extending, modifying, or renewing
19 or in the rates, terms, conditions, or privileges of any such
20 financial assistance or in the extension of services therewith;

21 (b) to use any form of application for such financial assist-
22 ance or to make any record or inquiry in connection with such
23 applications for such financial assistance which expresses, di-
24 rectly or indirectly, any limitation, specification, or discrim-
25 ination as to geographic area, or any intent to make such

26 limitation, specification, or discrimination, in the granting,
27 withholding, extending, modifying or renewing, or in the rates,
28 terms, conditions, or privileges of any such financial assistance
29 or in the extension of services in connection therewith; (c)
30 to differentiate between various sections, communities, towns
31 or cities of the commonwealth on the basis of the age of struc-
32 tures, the income level, or the social ethnic, or racial composi-
33 tion of that area. The criteria for accepting or refusing such
34 a request for financial assistance shall be based solely on rea-
35 sons of economic feasibility, the credit worthiness of the in-
36 dividual applicant or applicants, as determined by an exami-
37 nation of his or their financial assets and liabilities, and the
38 physical condition of the individual property on which the loan
39 is to be made. In the event of refusal, any applicant or appli-
40 cants for such financial assistance may request the reasons for
41 refusal to be made by the lender in writing at the time of such
42 denial.

43 It shall be a defense to any allegation of discrimination
44 under this section if the mortgage lender can show that the
45 property or properties for which the loan application were
46 made are not within the reasonable service area of the mort-
47 gage lender.

48 It shall not be a violation of this section if the loan is made
49 pursuant to a specific public or private program, the purpose
50 of which is to increase the availability of mortgage loans with-
51 in a specific neighborhood or geographical area and provided
52 that in case of age the failure or refusal to grant any mortgage
53 loan the duration of which exceeds the life expectancy of the
54 applicant as determined by the most recent individual Annuity
55 Mortality Table, or the failure or refusal to grant any mortgage
56 loan to a person who has not attained the age of majority,
57 shall not be an unlawful practice.