

By Mr. Brennan, a petition (accompanied by bill, Senate, No. 10) of John A. Brennan, Jr., for legislation to further regulate the deposit of public funds in banks. Banks and Banking.

The Commonwealth of Massachusetts

In the Year One Thousand Nine Hundred and Eighty-two.

AN ACT FURTHER REGULATING THE DEPOSIT OF PUBLIC FUNDS IN 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 Chapter 29 of the General Laws is hereby amended by in-
2 serting after section 34A, inserted by chapter 230 of the acts
3 of 1960 the following section: —

4 Section 34B. Notwithstanding any provision of the law to
5 the contrary, any bank or trust company doing business in
6 the commonwealth, shall not be qualified to be a depository
7 of public funds unless such financial institution files with the
8 state treasurer and state banking commissioner a pledge in
9 the following form: —

The.....bank (or trust company) pledges not to refuse to grant a loan or other financial assistance for the purchase, lease, acquisition, construction, rehabilitation, repair or maintenance of residential properties or to discriminate against the applicant for such financial assistance in the fixing of the terms or conditions of such financial assistance because of the geographical location of the real property proposed as security for such financial assistance. The.....bank (trust company) also pledges to take affirmative action in meeting the credit needs of communities and neighborhoods within its charter area to make available mortgage, home improvement loans and other financial assistance for the purchase, lease, construction, acquisition, rehabilitation, repair or maintenance of residential properties.

10 The pledge shall be deemed to continue for as long as the
11 financial institution acts as depository for public moneys. Any
12 alleged violations of such pledge shall be referred to the state
13 treasurer who, after consultation with the state banking com-

14 missioner, may hold hearings to determine whether a financial
 15 institution which has violated its pledge and not taken ap-
 16 propriate remedial action, should continue to act as a de-
 17 pository of public moneys.