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By Mr. Doris, a petition (accompanied by bill, Senate, No. 24) of Francis D. Doris for legislation to further regulate second mortgages made by certain lenders. Banks and Banking.

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The Commonwealth of Massachusetts

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

AN ACT FURTHER REGULATING SECOND MORTGAGES MADE BY  
CERTAIN LENDERS.

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

1 The first paragraph of Section 90A of Chapter 140 of the  
2 General Laws is hereby amended to read as follows: —  
3 *Section 90A.* No person shall directly or indirectly charge,  
4 take or receive for a loan of more than fifteen hundred dollars  
5 for personal, family, or household purposes secured wholly or  
6 partially by a mortgage of real estate having an assessed value  
7 of not over forty thousand dollars, having thereon a dwelling  
8 house with accommodations for four or less separate house-  
9 holds and occupied in whole or in part at the time the loan is  
10 made as a home by any obligor on the mortgage debt or by  
11 any person granting or releasing any interest under said  
12 mortgage, a greater rate of interest than an amount equiva-  
13 lent to two percent a month computed on unpaid balances,  
14 but such interest shall not exceed one percent a month after  
15 a continuing default for a total period of six months. The  
16 borrower shall have the right to anticipate his debt in whole  
17 or in part at any time without being required to pay a pen-  
18 alty to the lender therefor. The aggregate of the amount of  
19 money or value actually received or held at the time of the  
20 loan, plus the sum of all existing indebtedness of the borrower  
21 to the lender shall for purposes of this section and sections  
22 ninety B to ninety D, inclusive, be deemed the amount of the  
23 loan. Except where the borrower agrees in writing to a dif-  
24 ferent application of his payments, in cases where partial

25 payments are made, the interest shall be calculated to the  
26 time of payment, and such payment shall first be applied to  
27 interest, and the balance thereafter remaining, if any, shall  
28 be applied to principal.