

HOUSE No. 5571

The Commonwealth of Massachusetts

HOUSE OF REPRESENTATIVES, May 26, 1987.

The committee on Bills in the Third Reading, to whom was referred the Bill relative to commercial small loans (House, No. 1457), reports recommending that the same be amended by the substitution of the accompanying bill (House, No. 5571).

For the committee,

DAVID B. COHEN.

The Commonwealth of Massachusetts

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

AN ACT FURTHER REGULATING SMALL 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 96 of chapter 140 of the General Laws, as appearing
2 in the 1984 Official Edition, is hereby amended by striking out
3 the third paragraph and inserting in place thereof the following
4 paragraph: —

5 The provisions of this section and sections ninety-six A to one
6 hundred and fourteen A, inclusive, shall apply only to loans made
7 primarily for personal, family or household purpose; provided,
8 however, that the provisions of this section and said sections
9 ninety-six A to one hundred fourteen, inclusive, shall not apply
10 to loans to any student, or to any parent, legal guardian or spon-
11 sor of a student, made by any non-profit, public or independent
12 post-secondary educational institution within the commonwealth
13 authorized by law to grant degrees, by the commonwealth or by
14 any agency or instrumentality thereof; and provided, further, that
15 such institutions may not take, receive, reserve, or charge inter-
16 est, expenses and other consideration for making or securing a
17 loan of six thousand dollars or less in excess of those permitted
18 by section one hundred, except in the event of prepayment or
19 refinancing, in whole or in part, of any existing loans by such insti-
20 tution to any such student, or to any such parent, legal guardian
21 or sponsor of a student, which refinancing or prepayment occurs
22 within eighteen months of the date such loan was made.