

HOUSE No. 3917

By Mr. Alexander of Marblehead, petition of Lawrence R. Alexander, John A. Businger and another relative to attorneys fees in mortgage transactions. Banks and Banking.

The Commonwealth of Massachusetts

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

AN ACT RELATIVE TO MORTGAGE TRANSACTIONS.

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

1 No mortgagee shall, as a condition to the granting of any loan
2 secured by a mortgage of residential real estate, require the
3 mortgagor to pay for the services of any attorney who represents
4 such mortgagee in the mortgage loan transaction; provided, that
5 the mortgagee receives either 1) A certification of title from the
6 mortgagor's lawyer along with a statement from the attorney
7 containing his or her opinion that he or she is competent to
8 examine titles, the number of his or her years of experience in
9 conveyancing and the approximate number of title searches he
10 or she has made and proof of adequate malpractice insurance, or
11 2) A title policy from a title insurance company. At the time the
12 mortgagor applies for the loan, the mortgagor shall be informed
13 by the mortgagee that he or she has the right to retain his or her
14 own attorney. Nothing herein shall be construed to prevent the
15 mortgagee from obtaining at its own expense an independent
16 examination of the title and any other legal services which it deems
17 appropriate.

