

By Mr. Ciccarelli of Watertown, petition of Salvatore Ciccarelli relative to further regulating second mortgages made by certain lenders. Banks and Banking.

The Commonwealth of Massachusetts

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

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, take
4 or receive for a loan of more than fifteen hundred dollars for
5 personal, family, or household purposes secured wholly or par-
6 tially by a mortgage or real estate having an assessed value of not
7 over forty thousand dollars, having thereon a dwelling house with
8 accommodations for four or less separate households and occu-
9 pied in whole or in part at the time the loan is made as a home by
10 any obligor on the mortgage debt or by any person granting or
11 releasing any interest under said mortgage, a greater rate of interest
12 than an amount equivalent to two percent a month computed on
13 unpaid balances, but such interest shall not exceed one percent a
14 month after a continuing default for a total period of six months.
15 The borrower shall have the right to anticipate his debt in whole or
16 in part at any time without being required to pay a penalty to the
17 lender therefor. The aggregate of the amount of money or value
18 actually received or held at the time of the loan, plus the sum of all
19 existing indebtedness of the borrower to the lender shall for pur-
20 poses of this section and sections 90B to 90D inclusive, be deemed
21 the amount of the loan. Except where the borrower agrees in

22 writing to a different application of his payments, in cases where
23 partial payments are made, the interest shall be calculated to the
24 time of payment, and such payment shall first be applied to
25 interest, and the balance thereafter remaining, if any, shall be
26 applied to principal.