

Chap. 191 AN ACT TEMPORARILY AUTHORIZING CO-OPERATIVE BANKS TO MAKE LOANS UPON REAL ESTATE DIFFERING FROM ORDINARY CO-OPERATIVE BANK LOANS.

Emergency
preamble.

Whereas, The deferred operation of this act would tend to defeat its purpose, therefore it is hereby declared to be an emergency law, necessary for the immediate preservation of the public convenience.

Be it enacted, etc., as follows:

Any co-operative bank established under the laws of the commonwealth may within three years from the effective date of this act make loans, for not less than five nor more than twenty years, secured by mortgages of real estate situated in the commonwealth, the title to which is in the name of the borrower and which is unencumbered by any mortgage or lien other than municipal liens. A loan hereunder shall not exceed eight thousand dollars, shall be further secured by a promissory note in the full sum loaned, signed by the borrower, shall be upon improved real estate and shall not exceed eighty per cent of the value of the mortgaged property as certified by the security committee of such bank. Every such mortgage shall contain provisions calling for fixed monthly payments in the same amount during the term of the loan, which payments shall be applied first to interest and the balance thereafter remaining applied to principal, the interest to be computed monthly on the unpaid balance thereof. The borrower, and each subsequent owner of the equity of redemption of such real estate, shall at all times be a member of the bank, holding one or more unmaturred, paid-up or matured shares, in his own name. Failure to comply with the foregoing requirement shall constitute a breach of condition for which the unpaid balance of said loan shall become due and payable forthwith, at the option of the bank. The aggregate value of loans made by a bank under this act shall at no time be in excess of twenty-five per cent of the aggregate amount of all loans secured by mortgages of real estate held by such bank.

Approved April 18, 1935.

Chap. 192 AN ACT RELATIVE TO THE USE OF CERTAIN SURPLUS FUNDS BY THE SUPREME COUNCIL OF THE ROYAL ARCANUM, A FRATERNAL BENEFIT SOCIETY.

Be it enacted, etc., as follows:

The Supreme Council of the Royal Arcanum, a fraternal society incorporated under general law, is hereby authorized, notwithstanding any provisions of chapter one hundred and seventy-six of the General Laws to the contrary, to transfer annually from the surplus, if any, of its mortuary funds to its general fund a sum not in excess of five per cent of the net mortuary assessments or premiums paid