

By Miss Howe of Somerville, petition of Joseph J. Nissenbaum relative to an assigned mortgage plan for banks, Banks and Banking.

**The Commonwealth of Massachusetts**

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

AN ACT RELATIVE TO AN ASSIGNED MORTGAGE PLAN FOR BANKS.

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

1 Chapter 167 of the General Laws is hereby amended by  
2 adding the following section:—

3 *Section 65.* Banks, subject to such rules and regulations as  
4 the commissioner may prescribe, shall cooperate in the  
5 preparation and submission to the commissioner, of a plan for  
6 the fair and equitable apportionment among such banks of  
7 mortgages for persons that have had two refusals from banks on  
8 an application to them for a mortgage on property, which in all  
9 respects is a good mortgage except the refusing banks have no  
10 money available for mortgage at the time of application. Such a  
11 plan shall be prepared and administered by a governing  
12 committee consisting of six members representing and elected by  
13 banks participating in the plan and five members appointed by  
14 the commissioner. Not more than one bank in a group under the  
15 same management shall serve on the committee at the same  
16 time.

17 Before becoming effective, any such plan shall be filed with  
18 the commissioner who shall conduct a public hearing within  
19 thirty days to determine whether such plan meets the  
20 requirements of this section. At such hearing banks and any  
21 other party having a direct interest shall have an opportunity to  
22 be heard. Unless sooner approved or disapproved in writing by  
23 the commissioner, such plan shall be deemed to meet the  
24 requirements of this section within thirty days after the public  
25 hearing.

26 Amendments to such plan shall be prepared and filed in the  
27 same manner as herein provided with respect to the original  
28 plan. Such amendments, unless sooner approved or disapproved  
29 in writing by the commissioner shall be deemed to meet the  
30 requirements of this section in thirty days from the date of filing.  
31 The commissioner shall, prior to the disapproval of any such  
32 amendments, issue a notice specifying in what respects the  
33 amendments do not meet the requirements of this section and  
34 fixing a date for a public hearing thereon at which insurance  
35 companies and any other party having a direct interest shall  
36 have an opportunity to be heard. If no such plan is submitted to  
37 the commissioner within ninety days from the effective date of  
38 this act, he may, if he deems it necessary to carry out the  
39 purpose of this section, after hearing, prepare and promulgate a  
40 plan meeting the standards set forth herein.

41 Any bank and any other party affected may appeal to the  
42 commissioner from any ruling or decision with reference to the  
43 operation of such plan.

44 Such plan shall provide reasonable rules governing the fair  
45 and equitable distribution of mortgage loans.

46 Any bank or group of banks participating in such plan and  
47 other person aggrieved shall be authorized to bring a complaint  
48 to the commissioner alleging unfair or unreasonable or improper  
49 practices by any bank. The commissioner shall, in all such cases,  
50 cause a proper hearing on such complaint to be held and shall  
51 issue such orders as he then deems appropriate.

52 If the commissioner finds after due hearing and investigation  
53 that any activities or practice of any bank in connection with the  
54 submission or operation of such plan is unfair or unreasonable  
55 or inconsistent with the provisions of this section, he may issue a  
56 written order specifying in what respects such activity or practice  
57 is unfair or unreasonable or inconsistent with the provisions of  
58 this section, and requiring the discontinuance of such activity or  
59 practice.

60 Any ruling, order or decision of the commissioner under  
61 authority of this section shall be subject to review by appeal to  
62 the superior court for the county of Suffolk at the instance of  
63 any party in interest, which appeal shall be on the basis of the  
64 record of the proceeding before the commissioner. The court

65 shall have jurisdiction to modify, amend, annul, review or affirm  
66 such action, order, finding or decision, shall review all questions  
67 of fact and of law involved therein, and may make any other  
68 appropriate order or decree. The court shall determine whether  
69 the filing of the appeal shall operate as a stay of any such order  
70 or decision of the commissioner.

