

HOUSE No. 6313

The Commonwealth of Massachusetts

HOUSE OF REPRESENTATIVES, June 16, 1975.

The committee on Banks and Banking, to whom was referred the petition (accompanied by bill, House, No. 6259) of Antone S. Aguiar, Jr., that banks and credit unions be required to notify depositors whose funds have been applied to the reduction or payment of debts owed to said banks or credit unions, report recommending that the accompanying bill (House, No. 6313) ought to pass.

For the committee,

ANTONE S. AGUIAR, Jr.

The Commonwealth of Massachusetts

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

AN ACT REQUIRING BANKS AND CREDIT UNIONS TO NOTIFY DEPOSITORS WHOSE FUNDS HAVE BEEN APPLIED TO THE REDUCTION OR PAYMENT OF DEBTS OWED TO SAID BANKS OR CREDIT UNIONS.

1 *Whereas*, The deferred operation of this act would tend to
2 defeat its purpose, which is, in part, to require banks and credit
3 unions to notify depositors or shareholders of certain transfers of
4 funds subsequent to a default of a debt, therefore it is declared to
5 be an emergency law, necessary for the immediate preservation of
6 public convenience.

*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 67 of chapter 167 of the General Laws, added by
2 chapter 23 of the acts of 1975, is hereby amended by striking the
3 first sentence and inserting in place thereof the following
4 sentence: — Whenever a bank or credit union, as a consequence
5 of a default of a debt owed to said bank or credit union by a
6 depositor or shareholder, makes a transfer of funds to reduce or
7 extinguish said debt, such depositor or shareholder shall be
8 notified forthwith of such transfer by written notice sent by
9 certified mail, return receipt requested, directed to his last known
10 address.