

By Mr. Pokaski of Boston, petition of Daniel F. Pokaski and Kevin W. Fitzgerald for legislation to prohibit unfair discrimination in the granting of mortgages. Banks and Banking.

The Commonwealth of Massachusetts

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

AN ACT TO PROHIBIT UNFAIR DISCRIMINATION IN THE GRANTING OF MORTGAGES.

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 4 of chapter 151B of the General Laws is hereby
2 amended by striking out subsection 3B, as amended by Chapter
3 874, section 2 of the acts of 1971, and inserting in place thereof
4 the following section:—

5 3B. For any person, firm, partnership, association, corpora-
6 tion, financial institution, or any other lender doing business in
7 the commonwealth, or any agent or employee thereof, to whom
8 application is made for financial assistance for the purchase,
9 lease, acquisition, construction, rehabilitation, repair, or
10 maintenance of any real property:

11 (a) to discriminate against any person or group of persons
12 because of race, creed, religion, national origin, sex, marital
13 status with regard to public assistance or disability of such
14 persons or group of persons or of the prospective occupants or
15 tenants of such real property, or because such person or group of
16 persons desire to obtain a loan on real property in [a] certain
17 geographic area[s] in the granting, withholding, extending,
18 modifying, or renewing, or in the rates, terms, conditions, or
19 privileges of any such financial assistance or in the extension of
20 services therewith; (b) to use any form of application for such
21 financial assistance or to make any record or inquiry in
22 connection with such applications for such financial assistance

23 which expresses, directly or indirectly, any limitation, specifica-
24 tion, or discrimination as to geographic area, or any intent to
25 make such limitation, specification, or discrimination, in the
26 granting, withholding, extending, modifying or renewing, or in
27 the rates, terms, conditions, or privileges of any such financial
28 assistance or in the extension of services in connection therewith;
29 (c) to differentiate between various sections, communities, towns
30 or cities of the commonwealth on the basis of the age of
31 structures, the income level, or the social, ethnic, or racial
32 composition of that area. The criteria for accepting or refusing
33 such a request for financial assistance shall be based solely on
34 reasons of economic feasibility, the creditworthiness of the
35 individual applicant[s], as determined by an examination of his or
36 their financial assets and liabilities, and the physical condition of
37 the individual property on which the loan is to be made. In the
38 event of refusal, any applicant[s] for such financial assistance may
39 request the reasons for refusal to be made by the lender in writing
40 at the time of such denial.