

HOUSE No. 4860

By Mrs. Pines of Newton, petition of Lois G. Pines and another relative to eliminating the requirement for prepayment of taxes on certain mortgages and requiring payment of interest on certain tax deposits when required by mortgagees. Banks and Banking.

The Commonwealth of Massachusetts

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

AN ACT ELIMINATING THE REQUIREMENT FOR PREPAYMENT OF TAXES ON CERTAIN MORTGAGES AND REQUIRING PAYMENT OF INTEREST ON CERTAIN TAX DEPOSITS WHEN REQUIRED BY 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 1. Chapter 168 ss. 35 last amended by chapters 33
2 and 64 of the Acts of 1975 is hereby amended by deleting from
3 part 4 the second from the last sentence.

1 SECTION 2. Chapter 168 ss. 35 last amended by chapters 33
2 and 64 of the Acts of 1975 is further amended by deleting from
3 part 6A the second from the last sentence.

1 SECTION 3. Chapter 168 ss. 35 is further amended by
2 deleting from part 6B added by chapter 336 of the Acts of 1972
3 the second from the last sentence.

1 SECTION 4. Chapter 183 of the General Laws is hereby
2 amended by striking out section 61 inserted by Chapter 299 of the
3 Acts of 1973 and inserting in place thereof the following
4 section:—

5 *Section 61.* A mortgagee doing business in the Com-
6 monwealth and holding a first mortgage or lien on a dwelling
7 house of four or fewer separate households occupied or to be
8 occupied in whole or in part by the mortgagor; said mortgagee
9 who requires advance payments, deposits or other security from
10 said mortgagor for the payment of real estate taxes or betterment
11 assessments shall pay interest to the said mortgagor on any
12 amounts so paid or deposited in advance. Such interest shall be
13 paid at a rate not lower than a rate which is $1/2\%$ below the
14 maximum rate allowable on demand savings accounts at the time
15 the mortgage is taken; this rate to be paid per annum. The
16 provisions of this section shall apply only to the advance deposits
17 for the payment of real estate taxes on mortgaged property made
18 on or after the effective date of the act.