

By Mr. Semensi of Randolph, petition of John J. Roddy and Joseph J. Semensi relative to loans made for the financing and construction of residential, industrial and commercial buildings. Banks and Banking.

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**The Commonwealth of Massachusetts**

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In the Year One Thousand Nine Hundred and Eighty.

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AN ACT RELATIVE TO THE FINANCING AND CONSTRUCTION OF RESIDENTIAL, INDUSTRIAL AND COMMERCIAL BUILDINGS.

*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 172 of the General Laws is hereby amended by striking  
2 out Section 55C and inserting in place thereof the following new  
3 section: —

4 *Section 55C.* Loans made to finance the construction of resi-  
5 dential, industrial or commercial buildings and having maturities  
6 not exceeding thirty-six months where there is a valid and binding  
7 agreement entered into by a financially responsible lender other  
8 than the originating bank to advance the full amount of the bank's  
9 loan upon the completion of the buildings shall not be considered  
10 as real estate loans but shall be classed as ordinary commercial  
11 loans whether or not secured by a mortgage or similar lien upon the  
12 real estate upon which the building or buildings are being con-  
13 structed; provided that no such corporation shall invest in or be  
14 liable on, any such loans in an aggregate amount in excess of one  
15 hundred per cent of its capital stock and surplus account.

