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hospital malpractice coverage are being recouped, the term "policyholders" shall mean all those licensed physicians or hospitals insured under a policy of medical malpractice insurance, whether obtained through the joint underwriting association or not.

Approved June 27, 1980.

Chap. 334. AN ACT PROVIDING THAT THE POSITION OF CHIEF OF POLICE IN THE CITY KNOWN AS THE TOWN OF AGAWAM SHALL BE SUBJECT TO THE CIVIL SERVICE LAW AND RULES.

Be it enacted, etc., as follows:

SECTION 1. Chapter three hundred and six of the acts of nineteen hundred and seventy-seven is hereby repealed.

SECTION 2. The position of chief of police in the city known as the town of Agawam shall be subject to the provisions of chapter thirty-one of the General Laws.

SECTION 3. The state secretary shall place upon the official ballot to be used in the state biennial election to be held in current year in the city known as the town of Agawam the following question: "Shall an act passed by the General Court entitled, 'An Act providing that the position of chief of police in the city known as the town of Agawam be subject to civil service laws and rules', be accepted?"

If a majority of the votes cast in answer to said question is in the affirmative, sections one and two of this act shall thereupon take full effect, but not otherwise.

Approved June 27, 1980.

Chap. 335. AN ACT REGULATING CERTAIN MORTGAGE LOANS MADE OR ACQUIRED BY BANKS AND CREDIT UNIONS.

Be it enacted, etc., as follows:

SECTION 1. Chapter 167 of the General Laws is hereby amended by adding the following two sections:-

Section 70. Any bank or credit union may make or acquire mortgage loans of the several classes or types specified in chapter one hundred and sixty-eight, one hundred and seventy, one hundred and seventy-one or one hundred and seventy-two evidenced by a note which provides for variation in the rate of interest over the term of the note; provided, however, that such a loan secured by a first lien on a dwelling house of four or fewer separate households occupied or to be occupied in whole or in part by the mortgagor shall be subject to but not limited to

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the following conditions and restrictions imposed by the commissioner:

(1) the method by which the rate of interest may be adjusted;

(2) the frequency with which the rate of interest may be adjusted, provided that successive rate adjustments shall be no less than six months apart;

(3) the maximum increase in the rate of interest allowed for any such adjustment;

(4) provisions for decreases in the rate of interest as may be warranted by market conditions;

(5) requirements for advance notification and explanation of adjustments in the rate of interest, provided that such notification and explanation shall occur no less than thirty days prior to such adjustments; and

(6) methods of disclosure to the mortgagor of the terms and conditions of the loan as required under the provisions of chapter one hundred and forty C.

Section 71. Any bank or credit union may make or acquire mortgage loans of the several classes or types specified in chapter one hundred and sixty-eight, one hundred and seventy, one hundred and seventy-one, or one hundred and seventy-two evidenced by a note which provides for installment payments of principal or interest, or both, that will not amortize the outstanding principal amount in full by the maturity of such note; provided, however, that the term of mortgage securing the note shall be for a period not less than the original or anticipated amortization period; and provided, further, that such loans secured by a first lien on a dwelling house of four or fewer separate households occupied or to be occupied in whole or in part by the mortgagor shall be subject to the conditions and restrictions imposed under the provisions of section sixty of chapter one hundred and eighty-three.

SECTION 2. Chapter 183 of the General Laws is hereby amended by striking out section 60, added by chapter 115 of the acts of 1973, and inserting in place thereof the following section:-

Section 60. Whenever any note secured by a first lien on a dwelling house of four or fewer separate households occupied or to be occupied in whole or in part by the mortgagor provides for installment payments of principal or interest or both that will not amortize the outstanding principal amount in full by the maturity of such note and the term of the mortgage securing the note is for a period not less than the original or anticipated amortization period, such note and its disposition at maturity shall be subject to conditions and restrictions imposed by the commissioner. Such conditions and restrictions shall include but not be limited to the following:-

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- (1) the minimum term of the note;
- (2) the method by which the rate of interest on a renewed or extended note may be assigned;
- (3) the maximum increase in the rate of interest at renewal or extension of the note;
- (4) provisions for decreases in the rate of interest at renewal or extension of the note as may be warranted by market conditions;
- (5) provisions for automatic renewal or extension of the note at the option of the mortgagor;
- (6) requirements for advance notification and explanation of adjustment of the rate of interest in connection with renewing or extending the note, provided that such notification and explanation shall occur no less than thirty days prior to the rate adjustment;
- (7) methods of disclosure to the mortgagor of the terms and conditions of the loan as may be required under the provisions of chapter one hundred and forty C.

SECTION 3. The provisions of section two of this act shall apply only to mortgage liens secured on or after the effective date of this act and any such lien in existence on the effective date of this act shall be subject to the provisions of section sixty of chapter one hundred and eighty-three of the General Laws in effect immediately prior to the effective date of this act.

Approved June 27, 1980.

Chap. 336. AN ACT AUTHORIZING THE TRANSFER OF A CERTAIN PARCEL OF LAND IN THE TOWN OF ARLINGTON FROM THE CONSERVATION COMMISSION THEREOF TO THE CARE AND CONTROL OF THE TOWN MANAGER AND THE BOARD OF SELECTMEN.

Be it enacted, etc., as follows:

The town of Arlington is hereby authorized to transfer from the conservation commission of said town to the town manager and board of selectmen of said town the care and control of a certain parcel of land to be used in conjunction with a community safety elderly housing joint project in said town. Said parcel is bounded and described as follows:

Beginning at a point on the southwesterly sideline of Mystic Street said point being 219.04 feet southeasterly of the southerly sideline of Summer Street, thence going S73°16'55" W along the property line of land of the Conservation Commission a distance of 195.00 feet to an angle point, thence going S16°43'05" E along said property line a distance of 22.00 feet to a point, thence going N80°09'11" W along a line through land of the Conservation