

By Mr. Golden of Framingham, petition of J. Laurence Golden relative to amending the criminal usury law. Banks and Banking.

The Commonwealth of Massachusetts

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

AN ACT AMENDING THE CRIMINAL USURY STATUTE.

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 49 of chapter 271 of the General Laws is hereby
2 amended by inserting at the end of paragraph (a) thereof the
3 following three new sentences: —

4 In determining whether the aggregate of interest and ex-
5 penses on any loan exceeds that permitted by this section the
6 amount of any expenses shall be amortized equally over the
7 stated term of the loan excluding extension or renewal terms,
8 assuming that there will be no voluntary prepayment and that
9 the maturity thereof will not be accelerated by virtue of the
10 borrower's defaulting. The value of warrants to purchase stock,
11 conversion rights, or other rights to acquire equity stock of
12 such borrower or to receive payments based on sales, earnings
13 or rentals received by a lender in connection with the making
14 of a loan of one hundred thousand dollars or more, or in
15 connection with the making of a related series of contempora-
16 neous loans aggregating one hundred thousand dollars or more,
17 in either case, to a corporation, partnership or to an association
18 or trust as defined in section 1 of chapter 182 shall not be
19 included in any computation of interest under this section.
20 Expenses, including reasonable attorneys' fees, incurred by a
21 lender in collecting a loan, or enforcing his or its rights under
22 any agreement with respect thereto shall not be considered in
23 determining whether the aggregate of interest and expenses
24 exceeds that permitted by this section, whether or not the
25 borrower has agreed to reimburse the lender for such expenses
26 of collection.

The Committee of the Senate

Report on the bill to amend the law relating to the

As to the amendments proposed by the committee

In a report of the committee on the bill to amend the law relating to the

Section 10 of chapter 100 of the laws of 1901 is amended by inserting in the first line

the following words: "and the amount of the same shall be ascertained by the

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