
To accompany the petition of Michael H. Selzo for legislation to limit the rate of interest on mortgages of real estate which may be charged by savings banks and trust companies. Banks and Banking.

The Commonwealth of Massachusetts

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

An Act limiting the Rate of Interest on Mortgages of Real Estate which may be Charged by Savings Banks and Trust Companies.

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 one hundred and sixty-eight
2 of the General Laws is hereby amended by inserting
3 after section thirty, as appearing in the Tercentenary
4 Edition, the following new section: —

5 *Section 30A.* No such corporation shall charge or
6 receive, directly or indirectly, as interest, on any loan
7 made after and secured by a mortgage of
8 real estate, or on any renewal or extension, after said
9 date, of any loan so secured, or on any portion of the
10 principal amount of any such loan from time to time
11 remaining unpaid, any sum or sums in excess of one
12 per cent above the average rate of dividend paid by
13 such corporation on accounts therein during the year
14 then last preceding; provided, that nothing in this

15 section shall be deemed to affect the terms of any
16 contract or agreement entered into by such corpora-
17 tion prior to said date.

1 SECTION 2. Chapter one hundred and seventy-two
2 of the General Laws is hereby amended by inserting
3 after section forty-eight, as so appearing, the following
4 new section: —

5 *Section 48A.* No such corporation shall charge or
6 receive, directly or indirectly, as interest, on any loan
7 made after and secured by a mortgage of
8 real estate, or on any renewal or extension, after said
9 date, of any loan so secured, or on any portion of the
10 principal amount of any such loan from time to time
11 remaining unpaid, any sum or sums in excess of one
12 per cent above the average rate of dividend paid by
13 such corporation on accounts in its savings depart-
14 ment during the year then last preceding; provided,
15 that, in case such corporation has no savings depart-
16 ment, the basic rate of dividend shall be the average
17 rate of dividend paid during such year by savings de-
18 partments of such corporations as have the same; and
19 provided, further, that nothing in this section shall
20 be deemed to affect the terms of any contract or agree-
21 ment entered into by such corporation prior to said
22 date.